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HOUSE COMMITTEE PRINT NO. 4

# IMPLEMENTATION OF THE POST-VIETNAM ERA VETERANS' EDUCATIONAL ASSISTANCE ACT OF 1977

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## AN ANNUAL JOINT REPORT

PREPARED BY THE

## VETERANS' ADMINISTRATION

AND THE

## DEPARTMENT OF DEFENSE

(Pursuant to Section 1642 of Title 38, United States Code)

SUBMITTED TO THE

## COMMITTEE ON VETERANS' AFFAIRS
## U.S. HOUSE OF REPRESENTATIVES

MARCH 15, 1983

Printed for the use of the Committee on Veterans' Affairs

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Administration

MAY 11 1982

Honorable G. V. (Sonny) Montgomery
Chairman
Committee on Veterans' Affairs
House of Representatives
Washington, D.C. 20515

Dear Sonny:

We are pleased to furnish you with Section one of the fifth annual report describing the administration of the Post Vietnam Era Veterans' Educational Assistance Program by the Veterans Administration. This report is required by section 1642 of title 38, United States Code, which asks that the Administrator of Veterans' Affairs and the Secretary of Defense submit to your committee each year a report detailing the operations of the program.

This fifth annual report, Section one of which is enclosed, describes the administration of the chapter 32 program by the Veterans Administration. Section two will be submitted separately by the Department of Defense and will deal with the operation of the program within the Department of Defense.

Sincerely,

ROBERT P. NIMMO
Administrator

Enclosure

# Fifth Annual Report to Congress on the Post-Vietnam Era Veterans' Educational Assistance Program

# Fifth Annual Report to Congress on the Post-Vietnam Era Veterans' Educational Assistance Program

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TITLE 38 - UNITED STATES CODE

PART III - READJUSTMENT AND RELATED BENEFITS

CHAPTER 32 - POST-VIETNAM ERA VETERANS' EDUCATIONAL ASSISTANCE

Subchapter IV - Administration

§ 1642. Reporting requirements

The Administrator and the Secretary shall, within 90 days after the date of enactment of this chapter, submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a joint report containing their respective plans for implementation of the program provided for in this chapter. The Administrator and the Secretary shall submit to such committees a report each year detailing the operations of the program during the preceding year. The first such annual report shall be submitted 15 months after the date of enactment of this section.

CHAPTER 32

INTRODUCTION

The Post-Vietnam Era Veterans' Educational Assistance Act of 1977 enacted under Title IV of Public Law 94-502 established a contributory educational assistance program under chapter 32 of Title 38, United States Code. It is the purpose of this chapter (1) to provide educational assistance to those men and women who enter the Armed Forces after December 31, 1976, (2) to assist young men and women in obtaining an education they might not otherwise be able to afford, and (3) to promote and assist the all volunteer military program of the United States by attracting qualified men and women to serve in the Armed Forces. Eligibility for participation in the chapter 32 program is extended to active duty military personnel in the Department of Defense, as well as to active duty personnel in the U. S. Coast Guard, the U. S. Public Health Service, and the National Oceanic and Atmospheric Administration.

This report is in response to requirements specified in Title 38, United States Code, Section 1642, that a report be submitted annually to the Committees on Veterans' Affairs of the Senate and House of Representatives. Section one of this fifth annual report describes the operation of the chapter 32 program within the Veterans Administration.

## 1.1 PROGRAM REGULATIONS AND OPERATING PROCEDURES

A. REGULATIONS

During 1981 the Veterans Administration made several amendments in the 15000 series of regulations for chapter 32 administration.

VAR 15040 - Amended to provide that a veteran, who has satisfactorily completed a period of active service for which he or she was obligated at the time of entry into such service, may still be eligible for benefits under chapter 32, even if the veteran received a dishonorable discharge from a subsequent period of service.

VAR 15060 - Amended to show that a veteran will not automatically be disenrolled upon receiving a dishonorable discharge if a prior period of active service had been satisfactorily completed.

VAR 15065 - A new provision to provide that some of an individual's contributions may be refunded automatically without resulting in the individual's disenrollment.

VAR 15130 - Amended to eliminate the requirement that the VA make lump-sum payments to servicepersons.

VAR 15135 - A new provision providing that eligible individuals may receive advance payments for chapter 32 benefits.

VAR 15138 - Amended to provide the correct method of computing a benefit payment.

B. OPERATING PROCEDURES

The Veterans Administration has the responsibility for the administration of educational assistance benefits under Chapter 32, Title 38, United States Code. Applications for benefits are processed by the VA regional office having jurisdiction over the area where training is given, except for correspondence training, when it may be processed by the regional office having jurisdiction over the area where the veteran is living. The Adjudication Division at the regional office determines eligibility and processes awards and disallowances.

In November 1981, fully automated award processing for IHL and NCD training was installed on Target. When the new Target processing became available, the records for approximately 11,000 claimants were transferred from our Four-Phase System to the new data base. For various reasons, almost 1500 records were not converted, of which about 300 claimants were receiving benefits. The majority of the remaining 1200 claimants have used all of their benefits or disenrolled after receiving some benefit payments. The Payment Processing Unit at the Data Processing Center, Hines, Illinois, continues to handle any claims that could not be processed on the Target system.

The primary operating instructions for VEAP are contained in DVB Circular 20-77-25. Changes and appendices to this circular which were issued during 1981 are included in Appendix A of this report:

February 10 - Appendix I, Chapter 32 Target Award Processing

March 2 - Availability of Chapter 32 Contributions Account Information on Target

June 5 - Chapter 32 Adjudication Procedures

June 11 - Chapter 32 Adjudication Death Procedures

August 19 - Adjudication Procedures

## 1.2 NEW LEGISLATION

A. PUBLIC LAW 96-342

Public Law 96-342, the Department of Defense Authorization Act of 1981, Section 1002, provides that an individual who originally enlists in a regular component of the Armed Forces on September 8, 1980, or later and who fails to complete at least 24 months of that original enlistment shall not be eligible for any right, privilege or benefit based upon that period of service. This has been interpreted as applicable to enlisted members only, with officers excluded from the provision's coverage.

B. PUBLIC LAW 96-466

Public Law 96-466 made rather significant changes in the operation of the program. It provided for lump sum contributions, changed their amount, and allowed DoD to make complete payments.

Restrictive provisions limited payments to incarcerated veterans and eliminated PREP programs under Chapter 32. However, counseling was provided and the limitation of entitlement under two or more education entitlement programs was clarified.

Refund procedures were simplified where there is no Servicemen's Group Life Insurance beneficiary by designating immediate family members by law before there is vesting in the estate.

C. PUBLIC LAW 97-66

Public Law 97-66 established a minimum active duty service requirement of 24 months or completion of full period of orders whichever is the lesser for all persons who originally enlisted after 9/7/80 or who entered on active duty after 10/16/81. Exceptions include hardship, convenience of government or service connected disability.

## 1.3 MAINTENANCE OF THE FUND

A. BANKING SYSTEM

The data that follows was obtained from the Chapter 32 Banking System to determine the participation rate and amounts of contributions for Fiscal Year 1981 and for the total Chapter 32 program since its inception on January 1, 1977.

CHAPTER 32 PARTICIPATION/DISENROLLMENT REFUND DATA

THROUGH FISCAL YEAR 1981

| | PARTICIPANTS | | TOTAL CONTRIBUTIONS | | AMOUNTS OF REFUNDS PAID | |
|---|---|---|---|---|---|---|
| | FY '81 | Total Program | FY '81 | Total Program | FY '81 | Total Program |
| ARMY | 50,340 | 206,890 | $66,003,239 | $185,037,424 | $33,332,012 | $62,561,406 |
| NAVY | 24,466 | 92,730 | $32,803,220 | $92,095,680 | $13,381,446 | $26,672,385 |
| MARINE CORPS | 24,385 | 54,218 | $22,084,345 | $42,696,930 | $5,779,380 | $8,429,136 |
| AIR FORCE | 7,143 | 27,190 | $13,753,060 | $29,767,535 | $3,305,692 | $5,044,325 |
| COAST GUARD | 959 | 4,401 | $2,306,100 | $5,161,745 | $570,521 | $850,996 |
| PUBLIC HEALTH SERVICE | 261 | 1,030 | $633,795 | $1,293,835 | $45,512 | $133,352 |
| NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION | 12 | 40 | $16,400 | $43,845 | $2,950 | $4,475 |
| TOTALS | 107,566 | 386,499 | $137,600,159 | $356,096,994 | $56,417,533 | $103,696,325 |

PERSONS PAID REFUNDS - 126,111

PERCENT PAID REFUNDS - 32.6%*

*For the total program (through FY 81), 32.6% (126,111) of the total participants (386,499) have been granted refunds of their contributions.

PARTICIPANTS IN TRAINING BY TYPE AND MONTH

| AS OF | GRAD-UATE | UNDER GRAD-UATE | JR. COLL. | VOC-TECH | HIGH SCHOOL | ELEMEN-TARY | FLIGHT | CORR. | TOTAL |
|---|---|---|---|---|---|---|---|---|---|
| 10/31/80 | 91 | 622 | 609 | 144 | 15 | 1 | - | - | 1,482 |
| 11/30/80 | 114 | 951 | 853 | 178 | 25 | - | 4 | 2 | 2,127 |
| 12/31/80 | 127 | 1,055 | 965 | 149 | 14 | 1 | 4 | 6 | 2,321 |
| 1/31/81 | 127 | 940 | 787 | 135 | 11 | - | 6 | 2 | 2,008 |
| 2/28/81 | 132 | 1,070 | 841 | 181 | 9 | 1 | 6 | 6 | 2,246 |
| 3/31/81 | 165 | 1,473 | 1,288 | 241 | 11 | 1 | 3 | 4 | 3,186 |
| 4/30/81 | 175 | 1,777 | 1,667 | 395 | 22 | - | 5 | 7 | 4,048 |
| 5/31/81 | 180 | 1,886 | 1,862 | 555 | 29 | 1 | 4 | 1 | 4,518 |
| 6/30/81 | 197 | 2,007 | 2,071 | 665 | 33 | 1 | - | - | 4,974 |
| 7/31/81 | 90 | 588 | 538 | 148 | 1 | - | - | - | 1,365 |
| 8/31/81 | 173 | 795 | 800 | 249 | 2 | - | - | - | 2,019 |
| 9/30/81 | 186 | 1,169 | 1,106 | 335 | 11 | - | - | - | 2,807 |
| In October 1981, actual trainees more than doubled as shown by the following numbers: | | | | | | | | | |
| 10/31/81 | 329 | 2,670 | 2,352 | 481 | 11 | - | - | - | 5,843 |

CUMULATIVE SUMMARY OF CHAPTER 32 BENEFITS PAID

BY TYPE OF TRAINING FOR FISCAL YEAR 1981

| TYPE OF TRAINING | INDIVIDUALS' CONTRIBUTIONS | VA MATCHING FUNDS | TOTAL BENEFITS PAID |
|---|---|---|---|
| Graduate | $201,428.21 | $402,856.42 | $604,284.63 |
| Undergraduate | $1,257,016.43 | $2,514,032.86 | $3,774,345.68* |
| Junior College | $1,013,885.65 | $2,027,771.30 | $3,042,602.07* |
| Voc/Technical | $340,669.26 | $681,338.52 | $1,022,421.52* |
| High School | $13,375.24 | $26,750.48 | $40,125.72 |
| Elementary | $342.41 | $684.82 | $1,027.23 |
| Flight | $13,405.80 | $26,811.60 | $40,217.40 |
| Correspondence | $7,561.18 | $15,122.36 | $22,683.54 |
| Total | $2,847,684.18 | $5,695,368.36 | $8,547,707.79 |

* Total benefits paid for undergraduate training, junior college training, and voc/tech training includes DoD contributions of $3,296.39, $945.12, and $413.74 respectively.

At the close of Fiscal Year 1981, there had been a total of 386,499 participants. Approximately 1/3 or 126,111 requested refunds, while 257,581 remained in the program. However, only 2,807 or .7% were trainees. During the first month of Fiscal Year 1982 the number of these actual trainees more than doubled to 5,843.

B. PAYMENT PROCESSING UNIT

During 1981 the Payment Processing Unit at the Data Processing Center, Hines, Illinois, was expanded to keep up with the claims processing workload. When the new Target processing was installed, the Unit was cut back substantially in recognition of the significantly decreased workload. Their workload now consists of those awards that cannot be handled on Target, refunds, and resolution of processing problems.

C. ADMINISTRATIVE CHANGES

Chapter 32 was extended indefinitely when Congress took no positive action to terminate or change the program following the President's request for an extension. Funding became the responsibility of DoD on January 1, 1982, and the VA no longer provides matching funds.



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# APPENDIX A

## VETERANS ADMINISTRATION DOCUMENTATION

## Appendix A

## Veterans Administration Documentation

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Department of Veterans Benefits
Veterans Administration
Washington, D. C. 20420

DVB Circular 20-77-25
Appendix I
February 10, 1981

## CHAPTER 32 TARGET AWARD PROCESSING

1. Purpose. This appendix provides instructions for processing original chapter 32 awards on Target. It provides detailed information on three new Target screens. It also outlines those circumstances under which Target usage is not appropriate.

2. Background. On or about February 17, 1981, the first phase of chapter 32 Target award processing is being installed. This initial installation allows regional offices the capability to process original chapter 32 awards on Target terminals. Although significant restrictions on Target usage must be observed, this new capability should result in faster processing of all chapter 32 claims. It will significantly reduce the workload at the Hines PPU (Payment Processing Unit). The Adjudication procedures given in appendix C of this circular still apply to all chapter 32 claims. Target processing should only be undertaken after the claim has been thoroughly reviewed.

3. Available Chapter 32 Target Commands. The Target commands being made available for chapter 32 are listed below:

a. Claims Establishment (CEST).

b. Claims Data Entry (CDAT).

c. Claims Adjudication (CADJ).

d. Claims Authorization (CAUT).

e. Pending Inquiry (PINQ).

f. Claims Status Inquiry (SINQ).

g. Cancel Pending Issue (PCAN).

h. Clear Pending Issue (PCLR).

i. Disposition (DISP).

The PINQ, SINQ, PCAN, PCLR, and DISP commands are unchanged for chapter 32 and can be used in the same way as for chapter 34/35 claims. The other available commands have also been designed to parallel chapter 34/35 processing as closely as possible. However, there are some distinctions for chapter 32, so more detailed instruction on their use is provided in paragraph 6.

4. Limitations of Chapter 32 Target Processing. Awards which cannot be done on Target should be processed according to instructions in appendix C, paragraph 18, of this circular, except for conditions described in subparagraphs c and e below.

a. Only original institutional awards may be processed on Target. This excludes all supplemental awards and all original flight and correspondence training awards.

b. Awards for enrollment periods in the last 6 months of the claimant's first enlistment period may not be processed on Target.

c. Awards for claimants who are training at the secondary or elementary levels should not be processed on Target unless the claimant has elected to receive the standard pay rate, with entitlement charge. (See DVB Circular 22-80-39, app. D.)

d. Awards for claimants who have been assigned claim numbers other than their social security numbers may not be processed on Target.

e. Claims for participants who have earned a DOD (Department of Defense) contribution may not be processed on Target. Earned (or proposed) DOD contributions can be identified through examination of the Target M26 or M28 screen. This should be done before award processing is undertaken. If a participant's Contributions Account includes a proposed DOD contribution, then further instructions should be obtained by calling VA Central Office (FTS 389-2772).

f. Awards which will exceed three entry lines on an award screen may not be processed on Target.

g. The Target MINQ command may not be used to view chapter 32 award information (M21 - M24 screens). All awards, including original awards processed through Target, will be stored at the PPU. At the present time Target master records cannot be updated to reflect use of benefits.

h. The M26 through M29 screens will continue to be available, but their information will not be updated to reflect entitlement used through benefit awards. The message "CHAPTER 32 BENEFITS HAVE BEEN PAID" will be displayed on the M26 and M27 screens after an original award is processed by the Hines PPU.

5. Processing Flow for Chapter 32 Original Awards. Chapter 32 claims will process through Target in essentially the same manner as chapter 34/35 claims. Three stages are involved:

a. Claims Establishment (CEST) is the first processing stage. This involves completion of the 101 BIRLS Data screen and the 102 Claims Establishment screen.

b. Award processing will include completion of the 310 chapter 31/32/34 Eligibility screen and a General Education Award Screen (312 or 412). The 310 and 312 screens may be accessed by the CDAT or CADJ commands. The CADJ command must be used to access the 412 screen. This stage must be accomplished by a different person from the one who completes CEST processing.

c. Claims Authorization (CAUT) is the last stage. The function and screen are unchanged from chapter 34/35 processing. CAUT must be done by a different person from the one who completed the award processing screens.

d. The Claims Development (CDEV) function is not available for chapter 32 original awards. All necessary development must be done manually.

e. After an original award is authorized through the CAUT command, a transaction is sent to the Hines DPC. At Hines, it will be processed by the PPU. The PPU will continue to store data for all chapter 32 benefit records. Payment vouchers, award letters and necessary certifications will be generated from there.

6. Completion of Target Screens

a. Claims Establishment. Since only original chapter 32 claims can be processed, all issues will be established through the CEST command. Detailed instructions on CEST processing are provided in TP 20-1, part II, section 6, chapter 1. Information which most directly applies to chapter 32 processing is provided below.

(1) Ready Screen

(a) The command entry is CEST.

(b) The operator's password and the claimant's payee number, end product code, benefit (CH32 is the proper entry), full name and social security number are all required entries.

(2) 101 Screen

(a) Upon display of the 101 screen, the file number and social security number should be compared. These two items should be the same. If an eight-digit number has been assigned to the claimant, then Target processing is not appropriate. In this circumstance, CEST processing should be stopped. The issue should be cleared through the use of the PCAN command. Then, the original award should be submitted in accordance with award procedures outlined in appendix C, paragraph 18, of this circular.

(b) One or two service periods may be entered on the 101 screen. After the screen is entered and accepted, the entered service periods

will be stored in the PIF (Pending Issue File). When the 310 Eligibility screen is subsequently requested, the latest service period from the 101 screen will be displayed in the 310 screen's Service Data section.

(c) NONPAY DAYS. An entry in this field should reflect the total number of nonpayment days during the claimant's service period(s). This includes "noncreditable service" as defined by VAR 11040(B), and "not on duty" time as defined by VAR 1015. If an entry is made in this field and the 310 screen is subsequently requested, then this amount will be displayed in the 310 screen's DEDUCTIBLE TIME fields.

(d) ACDUTRA. Entry of "Y" should be made in this field if the claimant had a service period which was active duty for training purposes only (while a member of the reserves or the National Guard). If an entry is made in this field and the 310 screen is subsequently requested, then the 101 screen entry will be displayed on the 310 screen.

(3) 102 Screen. The minimum required entries are listed below:

(a) The claimant's address, including ZIP code or foreign mail code.

(b) Date of Claim. This entry should represent the date on which the claim was received by the VA.

(c) Section/Unit Number. This entry should represent the numeric routing symbol for the Adjudication unit which is handling the claim.

b. Eligibility Processing - 310 Screen

(1) The 310 screen must be completed for every original award. The Target System will check the claimant's basic eligibility status and generate statistical data based on the 310 screen entries. The screen which is being made available for chapter 32 processing is different from the 310 screen which is currently used for chapter 34 claims. The new screen will be available in the future for chapter 34. A layout of the new screen is provided below.

```
310                    CHAPTER 31/32/34 ELIGIBILITY                  02-17-81
FILE NUMBER .............        END PRODUCT .........          NAME ..........
                          TEMP IND
SVC DATA:     EOD         RAD       IN-SVC   DEDUCTIBLE TIME    S/C   CONDIT/DISCH
 RETAIN .  .........   .........      .      MOS .. DAYS ....     .
           .........   .........      .           ..      ....    .
           .........   .........      .           ..      ....    .
           .........   .........      .           ..      ....    .
PRIOR VA TRNG:  CH31                        CH34
                CH35                        OTHER

        EDUC LEVEL ..                  SPEC ELIG IND ......................
          COMB S/C                          S/C CODE
        NEMO RATING                      RATING DATE
      SPEC DISAB IND                   CH31 CRS LNG

       DELAYED ENTRY                        ACDUTRA ...
     END 1ST OBL PRD .........              CEOD .........
      UPGRADED DISCH                      ORIG ENT ...............
         DISAB EXT:   DATE    MOS DAYS    REMAIN ENT .....
                                          DELIM/TERM DATE   .........
                                                              NEXT SCREEN ...
```

4.

(2) The fields listed below do not apply to chapter 32. Entry in these fields will not be allowed.

TEMP IND
CONDIT/DISCH
PRIOR VA TRNG (CH31, CH34, CH35, OTHER)
COMB S/C
S/C CODE
MEMO RATING
RATING DATE
SPEC DISAB IND
CH31CRS LNG
DELAYED ENTRY
UPGRADED DISCH
DISAB EXT (DATE, MOS-DAYS)

NOTE: If Prior VA Training is a factor, then VA Central Office should be contacted at FTS 389-2771 for further instructions (see app. C, par. 8, of this circular).

(3) The fields described below apply to chapter 32.

(a) FILE NUMBER. This is a display field only. It will display the claimant's file number followed by a dash (-) and the payee number.

(b) END PRODUCT. This is a display field only. It will display the end product code assigned during CEST processing followed by a dash (-) and the benefit type.

(c) NAME. This is a display field only. It will show the payee's stub name.

(d) SVC DATA. This category includes six related fields (RETAIN, EOD, RAD, IN-SVC, DEDUCTIBLE TIME and S/C) which allow up to four lines of service information. The first line displays information from the 101 screen. The next three lines are entry lines. Descriptions of the individual fields are given below.

1. RETAIN. Entry in this field determines whether displayed service information is to be used in eligibility computations. A "Y" or an "N" may be entered, or it may be left blank. If the service information displayed from the 101 screen entries (EOD, RAD, IN-SVC, and DEDUCTIBLE TIME) is correct, then a "Y" should be entered. If the displayed service information is wrong, then an "N" should be entered and the correct entries should be made on the next line. If the field is left blank, the Target System will retain the displayed service information and use it in eligibility computations.

2. Service Period (EOD and RAD). The three entry lines should be used to enter any service periods which affect eligibility. Periods

of ACDUTRA should not be entered. If the claimant is on active duty, then the RAD field should be left blank for the current service period.

NOTE: All date entries should be in a month-day-year format (MM-DD-YY).

3. IN-SVC. The only acceptable entry is "Y." Entry should be made if the claimant is still in service, and it should be made only for the current service period.

4. DEDUCTIBLE TIME (MOS and DAYS). This field should be used to enter any noncreditable service (VAR 11040(B)) or not-on-duty time (VAR 1015). An entry in DAYS which exceeds 30 will be converted to a combination of MOS and DAYS after entry and acceptance of the information. Each 30 days will be converted to 1 month.

5. S/C (Service-Connected Disability). The only acceptable entry is "Y." Entry in this field should be made only if the claimant was released from active duty because of a service-connected disability. If there is an entry in this field and the service period is less than 181 days, then the Target System will generate a Special Eligibility Indicator (02).

(e) EDUC LEVEL. Entry in this field should represent the years of education completed by the claimant. Acceptable entries are 01 through 17.

(f) ACDUTRA. This field is for display purposes only. The display is based on a previous 101 screen entry. If "YES" is displayed, care should be taken to insure service periods entered above do not include a period of ACDUTRA.

(g) END 1ST OBL PRD (End of First Obligated Service Period). Upon initial display of the 310 screen, the date stored in the claimant's Contributions Account will be shown in this field. The date is obtained from the claimant's service department when the Contributions Account is established. Since the claimant's effective date of eligibility is based on this date, it must be reviewed carefully.

1. If the claimant has completed one service period and reentered military service, then the first RAD date should be compared with the END 1ST OBL PRD date. If the claimant is eligible for benefits based on the first service period and the RAD date is earlier than the existing END 1ST OBL PRD display, then the RAD date should be entered in this field also.

2. If no date is stored in the claimant's Contributions Account, then "00-00-00" will be displayed. In this circumstance an entry is required. The claimant's application package should be checked to see if the proper date is provided. If not, action can be taken as outlined below.

6.

a. The claimant's RAD date should be entered if he/she is a veteran and the training effective date is later than the RAD date.

b. In all other cases, development should be done to determine the correct date. Award action should not be completed until the date is obtained and eligibility is verified.

(h) CEOD (Computed Entry on Duty). This field is for display only. When the Enter key is pressed, the Target System will calculate the CEOD date based on 310 screen entries. Upon redisplay, the proper date will be shown in this field.

(i) ORIG ENT and REMAIN ENT. These two fields are for display purposes only. The Original Entitlement field will show months and days of entitlement, followed by total dollars of entitlement. The dollar display represents participant contributions, VA matching funds, and DOD contributions. The Remaining Entitlement field will show only months and days of entitlement.

(j) DELIM/TERM DATE (Delimiting/Termination Date). This field is for display purposes only. When the Enter key is pressed, the Target System will calculate the claimant's delimiting date based on 310 screen entries. Upon redisplay, the proper date (or the legend "ON DUTY" if the claimant is in service) will be shown in this field.

NOTE: If all service periods are less than 181 days and the claimant was not discharged because of a service-connected disability, the CEOD, ORIG ENT, REMAIN ENT, and DELIM/TERM DATE will all be left blank.

(4) After all entries are made and the Enter key is pressed, a series of edits will be performed by the Target System. If errors are found during the editing, then a message or messages will be displayed at the bottom of the screen. Those entry fields which require correction will be highlighted in a number of ways. Field entries which are incorrect will show a caret (^) to the left of the entry and will be made to blink. Required entries which have been omitted will be filled with asterisks (*) and made to blink. These errors should be corrected and the Enter key should be pressed again. When all edits are passed, the following message will be shown at the bottom of the screen: "HIT ENTER TO STORE DATA FOR FURTHER AWARD PROCESSING. IF DATA NOT NEEDED, ENTER DEL IN NEXT SCREEN FIELD." If award processing is to be continued, the 312 or 412 screen should be requested in the NEXT SCREEN field and the Enter key should be pressed.

(5) If the screen entries indicate that the claimant does not meet the eligibility requirements, then the appropriate message will be displayed at the bottom of the screen. In such instances the entries should be checked for accuracy and corrected if necessary. If the entries are correct, then DEL should be entered in the NEXT SCREEN

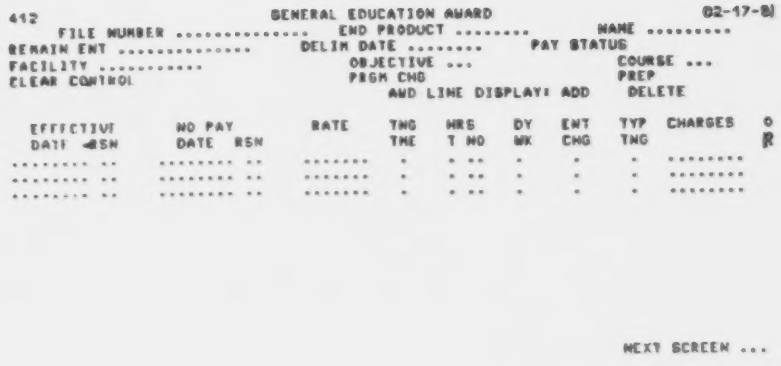
field, the Pending Issue should be canceled, and a disallowance should be prepared according to instructions in appendix C, paragraph 17, of this circular.

c. Award Processing - 312 and 412 Screens. The two award screens to be used for chapter 32 awards are slightly different from those currently used in chapter 34/35 processing. However, the basic information to be entered is the same, so chapter 32 processing will be very similar to chapter 34/35 processing. Under the initial chapter 32 Target implementation, the 312 and 412 screens are fully interchangeable. When full award processing capability becomes available, certain actions will require access of the 412 screen. Layouts of the new award screens are provided below.

```
312                          GENERAL EDUCATION AWARD                    02-17-81
     FILE NUMBER ..............  END PRODUCT .........      NAME ..........
REMAIN ENT ..............     DELIM DATE .........     PAY STATUS
FACILITY ..........           OBJECTIVE ...            COURSE ...
CLEAR CONTROL          PRGM CHG
                                        AWD LINE DISPLAY: ADD    DELETE

  EFFECTIVE      NO PAY          RATE    TNG   HRS     DY    ENT   TYP   CHARGES
  DATE  RSN      DATE  RSN              TME   T NO    WK    CHG   TNG
..........  ..  ..........  ..  ........  .   . ..   .     .     .     .........


                                                          NEXT SCREEN ...
```




(1) The fields listed below are not applicable to chapter 32 original awards.

| | |
|---|---|
| PAY STATUS | AWD LINE DISPLAY (ADD, DELETE) |
| CLEAR CONTROL | PREP (displays on 412 screen only) |
| PRGM CHG | O/R (displays on 412 screen only) |

(2) The following fields will be for display purposes only:

(a) FILE NUMBER. This field will display the claimant's file number followed by a dash (-) and the payee number.

(b) END PRODUCT. This field will display the end product code assigned during CEST processing followed by a dash (-) and the benefit type.

(c) NAME. This field shows the stub name of the payee.

(d) REMAIN ENT. This field will display months and days of entitlement followed by total dollars of entitlment.

(e) DELIM DATE. Based on the 310 screen entries, the field will show either the delimiting date or the legend "ON DUTY." If the 310 screen has not been previously completed, this field will be blank.

9.

(f) RATE. Upon initial screen display, this field will be blank. It will display the proper monthly rate for each award line only after GAD (generate and display) or GAP (generate and print) has been successfully completed and the award screen is redisplayed.

NOTE: If an award screen is redisplayed after GAD/GAP and any entry is changed, then all RATE and CHARGES displays must be erased before the Enter key is pressed again. Entry in the RATE and CHARGES fields is not allowed for chapter 32 original awards. The Target System will compute the rates.

(g) ENT CHG. Upon initial screen display, this field will be blank. It will display the proper entitlement charges for each award line only after award information has been entered and the award screen is redisplayed.

(h) CHARGES. Upon initial screen display, this field will be blank. It will display the participant's portion of each line's monthly rate only after GAD or GAP has been successfully completed and the award screen is redisplayed.

(3) The remaining 312/412 screen fields are entry fields for chapter 32 original awards.

(a) The FACILITY, OBJECTIVE, and COURSE fields must be completed. For proper objective and course codes, see M22-2, part VIII, chapter 5.

(b) EFFECTIVE DATE. On the first line the beginning date of the enrollment period should be entered. Effective dates of rate changes or beginning dates for later enrollment periods should be entered on subsequent lines. If the award requires more than three entry lines, then Target processing should be stopped and the issue should be canceled. Instructions in appendix C, paragraph 18, of this circular should be followed.

(c) EFFECTIVE RSN. On the first line, either 00 (for a confirmed award) or 0X (for an advance pay request) should be entered. This field may also be left blank on the first line. If it is left blank, the Target System will generate reason 00. If additional award lines are entered on the screen, then this field must have an entry on each line (see M22-2, pt. VIII, ch. 3, par. 3.12, for proper entry codes).

(d) NO PAY DATE. The "none" date of the award period should be entered in this field.

(e) NO PAY RSN. For those award lines in which a NO PAY DATE is entered and NO PAY RSN is left blank, the Target System will generate reason 61. If reason 61 is not appropriate, then another reason code should be entered (see M22-2, pt. VIII, ch. 3, par. 3.12).

(f) TNG TME. The numerical training time code must be entered on the first award line. The training time code (0, 1, 2, 3, or 4) need not be repeated on any subsequent award lines if there is no change.

(g) HRS - T (Hours - Type). The alpha code representing the type of hours must be entered on the first award line. Codes C, P, Q, R, S, or U are acceptable. This entry need not be repeated on any subsequent lines unless there is a change.

(h) HRS - NO (Hours - Number). The number of training hours should be entered. This entry need not be repeated on any subsequent lines unless there is a change.

(i) DY WK (Days Per Week). For NCD awards (type training is C, D, E, F, or L), the number of training days per week must be entered on the first award line. This entry need not be repeated on any subsequent lines unless there is a change.

(j) TYP TNG (Type Training). The alpha code representing the type of training must be entered on the first award line. Codes A, B, C, D, E, F, or L are acceptable. This entry need not be repeated on any subsequent lines unless there is a change.

(k) NEXT SCREEN. Acceptable entries under the initial chapter 32 implementation are 310, 312, 412 (under the CADJ command), GAD, GAP, RES, DEL, or END. This field may also be left blank. It is generally appropriate to enter GAP, since an award print must be generated before the transaction can be authorized.

d. GAD/GAP Processing. A generated print (GAP) must be obtained for each award before the Authorization stage can be done. Basic GAD/GAP information on chapter 34/35, which generally applies to chapter 32, is provided in M22-2, part IV, chapter 4, paragraph 4.26. Information which specifically relates to chapter 32 is provided below.

(1) The chapter 32 generated print differs slightly from the chapter 34/35 print. A layout is shown below.

```
                        EDUCATION INSTITUTIONAL AWARD        TRANS: 128  02-17-81
 FILE NO: ...........--..        NAME: . . .....   CH 32 VETERAN        EPC: ...
                         RO: ...   DTE OF CLM: .........  GDN: ... PWR ATTY: .....

 XXXXXXXXXXXXXXXXXXX
  - NAME & ADDRESS -    EOD ......... ORIG ENT ................  FAC CDE ............
 XXXXXXXXXXXXXXXXXXX    RAD ......... RMNG ENT ................  TYP TNG ............
 XXXXXXXXXXXXXXXXXXX    DEL ......... PRGM CHG .                 CRS/OBJ ... ...
                        CEOD.........       END OBL PRD ......... BTH DTE .........


  EFFECTIVE      NO PAY     NO RTE/   TNG   HRS/  DY   ENT   TYP   PARTIC    O
  DATE   RSN     DATE  RSN  LSN RTE   TME   T NO  WK   CHG   TNG   PORTION   R
  ........ ..  ........ ..  .......   .    . ..  .    .     .     .......


 REMARKS:

 ENTERED BY:                    AUTHORIZED BY:                  DATE:
```

(2) Both the 312 and 412 screens are used for award redisplay in GAD processing. If GAD is requested and the award information was entered on the 312 screen, then the 312 screen will be returned. This differs from chapter 34/35 processing where GAD always returns the 412 screen.

(3) GAD/GAP processing will generate additional award lines under certain conditions. If this happens and it causes the total number of lines to exceed three, then the award should not be authorized on Target. The system at the PPU cannot accept these transactions. They should be prepared according to the instructions in appendix C, paragraph 18, of this circular. Situations in which award lines will be generated are described below.

(a) If the generated award spans the claimant's RAD date, the Target System will generate a new award line to reflect the change of status. The Effective Date of the generated line will be the day after the RAD date. The Effective Reason will be 30.

(b) The claimant's pay rate may be subject to monthly change. This can occur if the claimant's rate of contribution to the chapter 32 fund has fluctuated. The Target System will calculate the proper rates. If monthly changes are needed, it will generate a new award line on the first day of each month. The Effective Reason will be 71, and it should be interpreted as designating a system-generated rate change.

(4) If a generated print is obtained on an advance pay award, and the award effective date is more than 10 days in the past, then the Target System will change the Effective Reason to 00. The Remarks section will show the following message: "CONFIRMATION OF ENROLLMENT REQUIRED, EFFECTIVE REASON CHANGED." The claimant's enrollment must be confirmed through the school's certifying official before the award is authorized.

e. Claims Authorization. The CAUT command will be used for chapter 32 original awards in basically the same way it is used for chapter 34/35 (see M22-2, pt. IV, ch. 4, par. 4.27). The 501 screen display will be unchanged. However, for chapter 32, all original awards must be authorized by a different person from the one who completed GAD/GAP processing. Also, the only field to be used for chapter 32 is the AUTHORIZED field. It should be used as follows:

(1) If a "Y" entry is made, then the award transaction will be created and sent to the Hines DPC. After authorization, chapter 32 claims will only remain on the PIF for the rest of the day. They will be cleared overnight.

(2) An "N" should be entered if the generated award is incorrect.

(a) If an award action is appropriate but revisions are needed, then the claim should be returned to the adjudicator or education clerk for necessary corrections, generation of another award print, and return.

12.

(b) If the claim should be denied, then the authorizer should dispose the claim back to the Adjudication activity, where the Target issue should be cleared through the PCAN command and a disallowance should be prepared according to appendix C, paragraph 17, of this circular.

7. After an original award is generated and authorized, the signed award print should be filed on the left side of the claims folder. After that, any inquiries or supplemental award processing should be handled according to instructions in appendix C of this circular. Notification will be provided when additional Target processing becomes available.

DOROTHY L. STARBUCK
Chief Benefits Director

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Veterans Administration
Washington, D.C. 20420

DVB Circular 20-77-25
Change 9
(Confirming Teletype Trans.)
March 2, 1981

AVAILABILITY OF CHAPTER 32 CONTRIBUTIONS
ACCOUNT INFORMATION ON TARGET

DVB Circular 20-77-25, appendix H, is changed as follows:

Pages 1 and 2: Remove these pages and substitute pages 1 and 2 attached.

Dorothy L. Starbuck

DOROTHY L. STARBUCK
Chief Benefits Director

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Department of Veterans Benefits
Veterans Administration
Washington, D. C. 20420

DVB Circular 20-77-25
Appendix H
Change 9
March 2, 1981

AVAILABILITY OF CHAPTER 32 CONTRIBUTIONS
ACCOUNT INFORMATION ON TARGET

1. Purpose. This appendix provides introductory information about four new Target Master Inquiry (MINQ) screens. These new screens have recently been made available for access. Upon receipt of these instructions they are to be used to assist in adjudication of chapter 32 claims.

2. General. The four new screens can be accessed by the MINQ command. They provide information about chapter 32 participants. All the information that is stored in a participant's record can be displayed on one or more of the screens. When a chapter 32 claim is received in Adjudication, these screens should be reviewed to determine the claimant's eligibility, instead of sending an information request to Finance. These new screens are labeled as follows:

M26 - CH32 PARTICIPANT SUMMARY
M27 - CH32 PARTICIPANT CONTRIBUTION HISTORY
M28 - CH32 DOD CONTRIBUTION AND MISC DATA
M29 - CH32 BENEFIT HISTORY

Sample layouts of the screens and detailed explanations of individual display items are provided in paragraphs 8 through 11. Descriptions will be provided in a future change to MP-6, part XXV, supplement No. 4.2.

3. Definitions

a. Contributions Account - This is the name given to the individual contribution records of chapter 32 participants.

b. Bank File - Bank file is the term used to describe all the Contributions Accounts stored at the Hines DPC.

c. Segment - This term is used to identify a group of related items (or fields) stored in a Contributions Account.

4. Chapter 32 Processing

a. Each military service department sends the Veterans Administration information on its chapter 32 participants monthly. It is received by the VA between the 1st and 10th day of the month following processing by the service department. The VA then processes the new information into the chapter 32 bank file, updating the individual chapter 32 Contributions Accounts.

b. When a serviceperson begins participating in the chapter 32 program, his/her service department includes the necessary information

to create a Contributions Account with their next monthly submission. By the end of the individual's second month of participation, a VA Contributions Account will be established. As soon as the Contributions Account is established at the DPC Hines, it can be displayed on Target.

c. All chapter 32 refunds are processed by the Hines Payment Processing Unit. The processing is done three times per month and the bank file is updated each time. As soon as a refund is processed and included in the bank file, it can be displayed on Target inquiry screens.

5. Access - Ready Screen Entries

a. [The command entry in MINQ.]

b. [The operator's password must be entered.]

c. [Screen Number. Proper entry in this field is M26, M27, M28 or M29. This field may also be left blank. Either this field or the Benefit field must have an entry.]

d. [File Number. This field must have an entry. Chapter 32 Contributions Accounts are established under social security numbers, so the participant's social security number should always be entered in the File Number field even if he/she has an eight-digit claim number.]

e. [Payee Number. Entry in this field is optional. The correct entry for chapter 32 payees is always 00.

f. Benefit. The proper entry in this field is CH32. This field may also be left blank. Either this field or the Screen Number field must have an entry.

g. If no record is found with the entered information, then the following message will be displayed at the bottom of the Ready screen: "NO MASTER EXISTS AT HINES." It is important to note that entry of a screen number or benefit which designates chapter 32 limits the inquiry search. For example, if MINQ is requested with CH32 entered as benefit type, no search will be done for chapter 34, chapter 35, or C&P (Compensation and Pension) records under the given number. If no chapter 32 record is found on such an inquiry, then the "NO MASTER EXISTS AT HINES" message will be displayed even if a chapter 34 or C&P record exists. A second MINQ would have to be done to determine whether a chapter 34/35 or C&P record exists. Conversely, if both the Screen Number field and the Benefit field are left blank on the Ready screen, then the inquiry search will not locate a chapter 32 record even if one exists.

h.] If more than one record is found the Payee Selection screen (SØ2) will be displayed. Selection of the appropriate record can be made from the SØ2 screen. However, there is a potential problem with chapter 32 records. It is possible for a participant to contribute to the chapter 32 fund from two different service branches. Under these circumstances two separate records may be built for the participant, because each branch of service submits information to the VA bank file separately. If a MINQ is done and more than one chapter 32 record

Department of Veterans Benefits
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Washington, D.C. 20420

DVB Circular 20-77-25
Appendix C, Revised
June 5, 1981

CHAPTER 32
ADJUDICATION PROCEDURES

1. PURPOSE. The purpose of this revision is to amend and expand existing chapter 32 adjudication procedures based upon a general growth of the chapter 32 program and legislative changes included in PL 96-342, the Department of Defense Authorization Act of 1981, and PL 96-466, "Veterans' Rehabilitation and Education Amendments of 1980." Major changes include:

a. Elimination of PREP and inclusion of entitlement-free pursuit of elementary and secondary education programs for enlisted persons.

b. Changes in eligibility requirements for chapter 32 benefits for veterans and servicepersons.

c. Inclusion of chapter 32 under the 48-month limitation on entitlement under two or more programs.

d. Availability of counseling upon request, as well as when required.

NOTE: Brackets have not been used to identify new or revised material.

2. RESCISSIONS: Appendix C dated October 10, 1978; Appendix E dated May 17, 1979; and changes 5, 6 and erratum dated April 29, 1980, to DVB Circular 20-77-25.

Dorothy L. Stapbuck

DOROTHY L. STAPBUCK
Chief Benefits Director

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DVB Circular 20-77-25
Appendix C, Revised
June 5, 1981

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CHAPTER 32
ADJUDICATION PROCEDURES

1. Purpose. This appendix provides detailed instructions for manually processing claims under chapter 32, title 38, United States Code.

2. General. Target award processing allows for certain original awards to be processed on Target. (See app. I of this circular.) Until additional Target processing becomes available, all other chapter 32 actions must be processed manually. The Adjudication Division is responsible for determining eligibility and preparing award and disallowance code sheets. The regional office will forward the award documents to the PPU (Payment Processing Unit) at the DPC (Data Processing Center) in Hines, Illinois. The PPU is responsible for computing amounts payable. The PPU will issue payments, generate letters, issue and process certifications, create accounts receivable, and make refunds.

3. Applications and Other Forms

a. VA Form 22-8821, Application for Educational Assistance (For Post-Vietnam Era Veterans - Under Chapter 32, Title 38, U.S.C.), is to be used for all chapter 32 programs.

(1) VA Form 22-8821 will be used by both veterans and servicepersons to apply for chapter 32 benefits.

(2) VA Form 22-8821 does not include an enrollment certification as part of the form. A separate VA Form 22-1999, Enrollment Certification, is required. Schools should be encouraged to submit the application and the enrollment certification together as a package enrollment. (NOTE: The computer-generated VA Form 22-1990V, Notice of Eligibility, Application, and Enrollment Certification, is not issued to veterans with an EOD date after December 31, 1976. VA Form 22-1990a, Servicepersons' Application for Educational Benefits, also is not appropriate for chapter 32 claimants.)

b. VA Form 4-5281, Application for Refund of Educational Contributions, should be used by participants wishing to request a refund of the money they have contributed to the program. (See app. A, Revised, of this circular.)

c. VA Form 22-1993a, Certificate of Eligibility, now contains two paragraphs for chapter 32 claimants. This form will be used if an application is received without an enrollment certification.

(1) One paragraph is for a post-Vietnam era veteran and shows the dollar amount of entitlement (see par. 11 of this app.) and delimiting date.

(2) The other paragraph is for a post-Vietnam era inservice person and shows the dollar amount of entitlement (see par. 11 of this app.) and date the entitlement was computed.

d. Until necessary revisions are made, all current VA forms will be used as needed and will be clearly annotated "CHAPTER 32." The following list is intended as a sample listing only and is not all-inclusive.

(1) All authorization forms (with the exception of OCR documents) including the following (see par. 18):

VA Form 22-1992, Authorization for Certificate of Eligibility or Disallowance

VA Form 22-1997, Education Award

VA Form 21-4189, Award or Disallowance - Burial Allowance or Accrued Benefits

VA Form 21-8046, Payment Notice (Stop-Suspend-Resume)

VA Form 20-6566, Change of Name and Address Notice

(2) VA Form 22-1995, Request for Change of Program or Place of Training.

(3) VA Form 22-1999, Enrollment Certification.

(4) VA Forms 22-1999b and 22-1999b-1, Notice of Change in Student Status - Institutional Courses Only.

(5) All counseling forms including:

VA Form 22-1902m, Veterans Administration Counseling Record - Certificate F (instead of VA Form 22-1902k).

VA Form 22-1944, Eligibility, Entitlement and Counseling Information.

VA Form 22-8837, Counseling Control (instead of VA Form 22-1945).

NOTE: See paragraph 14 on counseling.

(6) Certification forms:

VA Form 22-6553, Verification of Pursuit of Course Leading to a Standard College Degree

VA Form 22-6553a, Quarterly Certification of Attendance for Courses Not Leading to a Standard College Degree and Farm Cooperative Courses

VA Form 22-6553b, Certification of Lessons Completed

VA Form 22-6553c, Monthly Certification of Flight Training

(7) All loan forms including VA Form 22-8725, Application for Education Loan.

e. The following forms are not for use under chapter 32:

(1) All work-study forms including VA Form 20-8691, Veterans Application for Work-Study Allowance.

(2) VA Form 22-1990, Veteran's Application for Educational Benefits.

(3) VA Form 22-1990a, Serviceperson's Application for Educational Benefits.

(4) VA Form 22-1990t, Application and Enrollment Certification for Individualized Tutorial Assistance.

(5) VA Form 21-441, Special Apportionment Decision. (Since no additional allowance is payable for dependents under chapter 32, no apportionment is authorized.)

(6) VA Form 22-8821p, Application for Predischarge Education Program (PREP). (Since the PREP program has been eliminated, these forms should be destroyed.)

f. The following list of current form letters will be issued as appropriate. It is intended as a sample listing only and is not all-inclusive:

| | | |
|---|---|---|
| FL 22-89 | FL 22-337 | FL 22-897 |
| FL 22-153 | FL 22-890 | FL 22-899 |
| FL 22-310 | FL 22-891 | FL 22-899a |
| FL 22-315 | FL 22-892 | |

g. The following form letters are not for use under chapter 32:

FL 22-879
FL 22-893
FL 22-902

h. VA Pamphlet 22-79-1, Summary of Educational Benefits Under the Post-Vietnam Era Veterans Educational Assistance Program, VEAP, provides information on chapter 32 benefits.

i. FL 22-905 is the chapter 32 VADS letter (see app. F of this circular).

4. Routing of Chapter 32 Incoming Mail

a. Incoming mail will be processed under current procedures including routing to the DTU (Data Terminal Unit) or Adjudication activity as appropriate for file number assignment in BIRLS (Beneficiary Identification Records Locator Subsystem) and establishment of a claims folder.

b. A claimant with a master record in the Chapter 32 Banking System will also have a master index record in BIRLS. A BIRLS message will show the legend "CHAPTER 32 ACTIVITY INDICATED" if the individual has ever made contributions.

c. Inquiry concerning chapter 32 contribution amounts can be made through Target Master Inquiry (MINQ). (See app. H of this circular.)

d. A claims folder will not be established, nor will a file number be assigned through BIRLS for cases involving only a request for refund (VA Form 4-5281).

5. Determining Eligibility

a. Veteran. Basic eligibility for educational benefits under chapter 32 for a veteran is based upon the following conditions (see fig. 1):

(1) The veteran entered on active duty after December 31, 1976.

(2) The veteran is ineligible for chapter 34 educational assistance (based upon a prior period(s) of active duty or a delayed enlistment agreement).

(3) The veteran must have served for a continuous period of 181 days or more (exclusive of deductible time per M22-2, pt. II, ch. 2). Travel time is included as creditable service and will be requested if active duty is shown as 176 to 180 days. If the veteran served less than 181 days, he or she must have been released or discharged because of a service-connected disability (see VAR 1315(C)).

(4) If the veteran entered on active duty for the first time on September 8, 1980, or later, he/she must have served at least 24 months of his/her original enlistment (exclusive of deductible time). If the veteran served less than 24 months of the original enlistment, he or she must have been released or discharged because of a service-connected disability (see VAR 1315(C)) or hardship. However, if discharged due to hardship, the veteran must still meet the 181-day service requirement (see subpar. (3) above).

(5) The veteran was released or discharged from active duty under conditions other than dishonorable.

(6) The veteran contributed money to the chapter 32 fund while in service and has money available for benefits. Verify contributions made by the participant through Target Master Inquiry (MINQ). See appendix H of this circular. If DOD contributions were made, call Central Office immediately at FTS 389-2771 for further instructions.

(7) Active duty service as a commissioned officer of the PHS (Public Health Service ) or NOAA (National Oceanic and Atmospheric Administration) is qualifying service under chapter 32.

(8) For an elementary or secondary education program, the veteran must have been an enlisted person. Those programs are not available based on service as an officer.

b. Serviceperson - Other Than Elementary or Secondary Education Program. Basic eligibility for educational benefits under chapter 32, other than for an elementary or secondary education program, for a serviceperson is based upon the following conditions (see fig. 2):

(1) The person entered on active duty after December 31, 1976.

(2) The person is ineligible for chapter 34 educational assistance (based upon a prior period(s) of active duty or a delayed enlistment agreement).

(3) The person must have served for a continuous period of 181 days or more (exclusive of deductible time per M22-2, pt. II, ch. 2).

(4) If the person entered on active duty for the first time on September 8, 1980, or later, he/she must have served at least 24 months of his/her original enlistment (exclusive of deductible time).

(5) The person has completed either:

(a) His or her first obligated period of active duty, or

(b) Six years of active duty, whichever period is less.

(6) The person has contributed money to the chapter 32 fund and has at least 3 months of contributions available for benefits. If DOD contributions were made, call Central Office immediately at FTS 389-2771 for further instructions.

(7) Active duty service as a commissioned officer in PHS or NOAA is qualifying service under chapter 32. PHS officers serving on active duty for indefinite periods are considered to have a 2-year obligated period for eligibility purposes. Please review block 11H on VA Form 22-8821 to insure "yes" is checked regarding period of service.

c. Serviceperson - Elementary or Secondary Education Program. Under chapter 32, an elementary or secondary education program is available to enlisted persons only. (See DVB Circular 22-80-39, app. D, for claims processing instructions.) Basic eligibility for such a program is based upon the following conditions (see fig. 2):

(1) The enlisted member entered on active duty after December 31, 1976.

(2) The enlisted member is ineligible for chapter 34 educational assistance (based upon a prior period(s) of active duty or a delayed enlistment agreement).

(3) The enlisted member must have served for a continuous period of 181 days or more (exclusive of deductible time per M22-2, pt. II, ch. 2).

(4) If the enlisted member entered on active duty for the first time on September 8, 1980, or later, he/she must have served at least 24 months of his/her original enlistment (exclusive of deductible time).

(5) The enlisted member is in the last 6 months of his or her first enlistment or has completed his/her first enlistment.

(6) The enlisted member has contributed money to the chapter 32 fund and has at least 1 month of contributions available. If DOD contributions were made, call Central Office immediately at FTS 389-2771 for further instructions.

6. Character of Discharge. An "honorable," "general" or "under honorable conditions" discharge meets the eligibility requirement of paragraph 5a(5) above, unless there is a bar to benefits under 38 U.S.C. 3103(a).

a. Determination. A character of discharge determination is required to determine whether an "other than honorable" discharge was granted under conditions other than dishonorable. Current procedures governing such determinations are applicable under chapter 32 (see M21-1, pars. 14.01 and 14.02). If a disallowance is required, see paragraph 17 of this appendix.

b. Conditional Discharge. If it is determined that the last discharge or release was under dishonorable conditions for Veterans Administration purposes, but the veteran had received an earlier conditional discharge, consideration will be given to whether the veteran satisfactorily completed an obligated period of service (38 U.S.C. 101(18)).

(1) If it is determined that the veteran satisfactorily completed an obligated period of service, entitlement will be credited to the veteran based on contributions made during that period.

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DETERMINING ELIGIBILITY FOR A VETERAN
(See par. 5a)

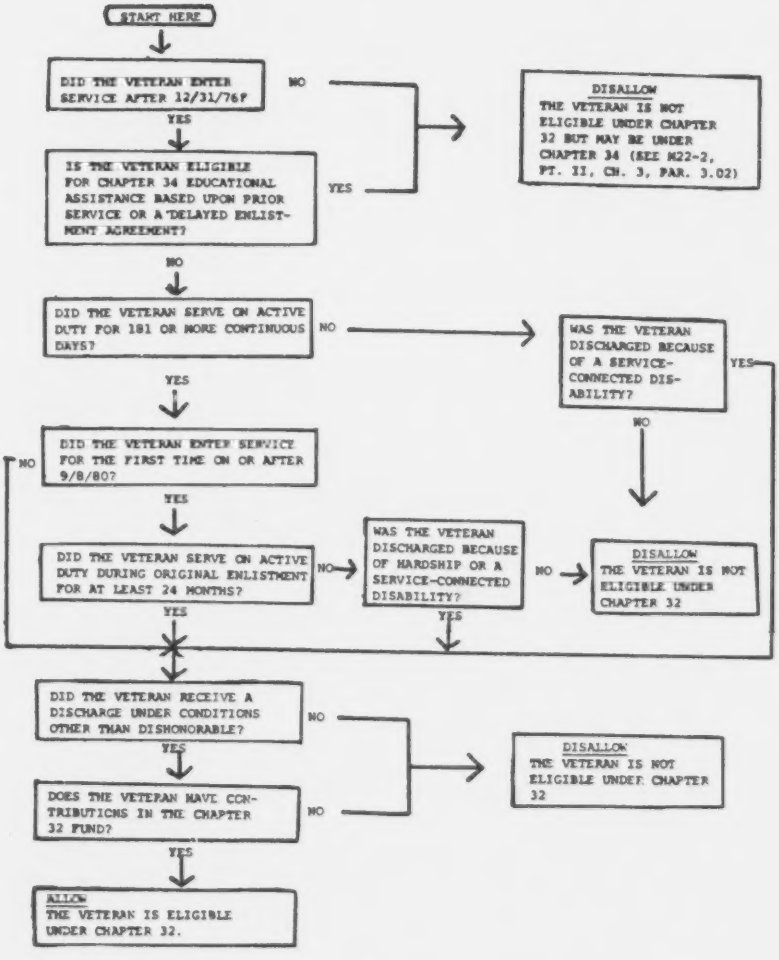
START HERE
DID THE VETERAN ENTER SERVICE AFTER 12/31/76?
NO
YES
DISALLOW
THE VETERAN IS NOT ELIGIBLE UNDER CHAPTER 32 BUT MAY BE UNDER CHAPTER 34 (SEE M22-2, PT. II, CH. 3, PAR. 3.02)
IS THE VETERAN ELIGIBLE FOR CHAPTER 34 EDUCATIONAL ASSISTANCE BASED UPON PRIOR SERVICE OR A DELAYED ENLISTMENT AGREEMENT?
YES
NO
DID THE VETERAN SERVE ON ACTIVE DUTY FOR 181 OR MORE CONTINUOUS DAYS?
NO
WAS THE VETERAN DISCHARGED BECAUSE OF A SERVICE-CONNECTED DISABILITY?
YES
NO
YES
DID THE VETERAN ENTER SERVICE FOR THE FIRST TIME ON OR AFTER 9/8/80?
NO
YES
DID THE VETERAN SERVE ON ACTIVE DUTY DURING ORIGINAL ENLISTMENT FOR AT LEAST 24 MONTHS?
NO
WAS THE VETERAN DISCHARGED BECAUSE OF HARDSHIP OR A SERVICE-CONNECTED DISABILITY?
NO
DISALLOW
THE VETERAN IS NOT ELIGIBLE UNDER CHAPTER 32
YES
YES
DID THE VETERAN RECEIVE A DISCHARGE UNDER CONDITIONS OTHER THAN DISHONORABLE?
NO
YES
DISALLOW
THE VETERAN IS NOT ELIGIBLE UNDER CHAPTER 32
DOES THE VETERAN HAVE CONTRIBUTIONS IN THE CHAPTER 32 FUND?
NO
YES
ALLOW
THE VETERAN IS ELIGIBLE UNDER CHAPTER 32.

Figure 1

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DETERMINING ELIGIBILITY FOR A SERVICEPERSON
(see par. 5b and c)

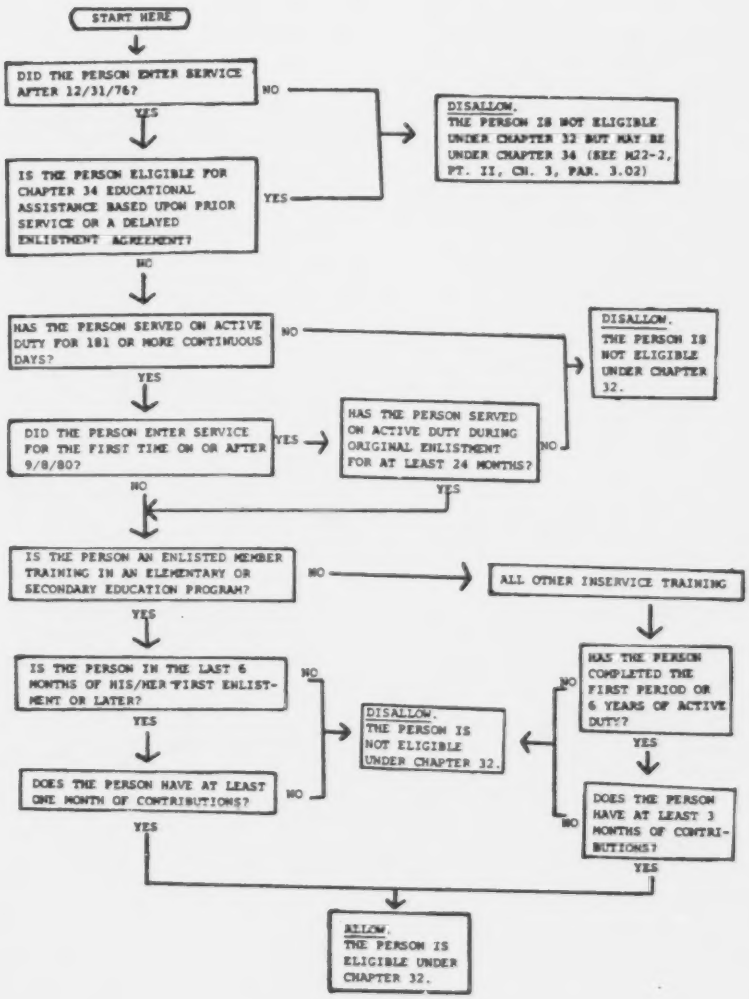
START HERE
DID THE PERSON ENTER SERVICE AFTER 12/31/76?
NO
YES
DISALLOW. THE PERSON IS NOT ELIGIBLE UNDER CHAPTER 32 BUT MAY BE UNDER CHAPTER 34 (SEE M22-2, PT. II, CH. 3, PAR. 3.02)
IS THE PERSON ELIGIBLE FOR CHAPTER 34 EDUCATIONAL ASSISTANCE BASED UPON PRIOR SERVICE OR A DELAYED ENLISTMENT AGREEMENT?
YES
NO
HAS THE PERSON SERVED ON ACTIVE DUTY FOR 181 OR MORE CONTINUOUS DAYS?
NO
DISALLOW. THE PERSON IS NOT ELIGIBLE UNDER CHAPTER 32.
YES
DID THE PERSON ENTER SERVICE FOR THE FIRST TIME ON OR AFTER 9/8/80?
YES
HAS THE PERSON SERVED ON ACTIVE DUTY DURING ORIGINAL ENLISTMENT FOR AT LEAST 24 MONTHS?
NO
YES
NO
IS THE PERSON AN ENLISTED MEMBER TRAINING IN AN ELEMENTARY OR SECONDARY EDUCATION PROGRAM?
NO
ALL OTHER INSERVICE TRAINING
YES
IS THE PERSON IN THE LAST 6 MONTHS OF HIS/HER FIRST ENLISTMENT OR LATER?
NO
YES
DOES THE PERSON HAVE AT LEAST ONE MONTH OF CONTRIBUTIONS?
NO
YES
DISALLOW. THE PERSON IS NOT ELIGIBLE UNDER CHAPTER 32.
HAS THE PERSON COMPLETED THE FIRST PERIOD OR 6 YEARS OF ACTIVE DUTY?
NO
YES
DOES THE PERSON HAVE AT LEAST 3 MONTHS OF CONTRIBUTIONS?
NO
YES
ALLOW. THE PERSON IS ELIGIBLE UNDER CHAPTER 32.

Figure 2

(2) Contributions made after the completion of that period will not earn entitlement and will be refunded in the absence of an appeal (see par. 17).

(3) Training received as a serviceperson after the completion of that period will be paid for, since the individual had eligibility at the time (i.e., before the last discharge or release).

(4) The delimiting date will be 10 years and 1 day from the date of completion of the obligated period of service.

c. Upgraded Discharge. Eligibility may be established based on an upgraded lischarge. However, an extension to the delimiting date due to correction of discharge is not allowed under chapter 32.

7. Delimiting Date. Each veteran has 10 years within which to use his or her benefits under chapter 32.

a. The delimiting date is determined by adding 10 years to the day following the date of release or discharge from the veteran's last period of active duty.

b. No extension to the delimiting date because of a physical or mental disability is permitted under chapter 32; nor is a change in delimiting date due to correction of discharge permitted under chapter 32.

c. No final cutoff date for chapter 32 benefits has yet been established.

8. Limitation on Assistance Under Two or More Programs. PL 96-466 included chapter 32 in 38 U.S.C. 1631(a)(1) which limits the aggregate period for which a person may receive educational assistance under two or more laws to 48 months (or the part-time equivalent thereof) effective October 1, 1980. When a claim for chapter 32 benefits is received in which the claimant's training under another law plus his/her months of chapter 32 entitlement exceed 48 months, call Central Office immediately at FTS 389-2771 for instructions.

NOTE: A participant cannot be eligible under both chapter 32 and chapter 34.



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9. Nonduplication - Chapters 31, 32 and 35. A veteran or eligible person may not be paid chapter 32 benefits concurrently with benefits under chapter 31 or 35. A person eligible under more than one of these chapters must elect which benefit to receive. The person may reelect at any time. See M28-2, chapter 3, paragraph 3.08, for offset of chapter 32 allowance when a retroactive chapter 31 award is authorized.

10. Nonduplication - Federal Programs. A person may not receive chapter 32 benefits:

a. For a unit course or courses which are being paid for in whole or in part by the Armed Forces during any period the person is on active duty (or by the Department of Health and Human Services in the case of the Public Health Service), or

b. For a unit course or courses which are being paid in whole or in part by the United States under the Government Employees' Training Act during any period that full salary is being paid as an employee of the United States.

NOTE: A person who is released from active duty to enter an ROTC (Reserve Officers' Training Corps) program may receive chapter 32 benefits even though the course is paid for by the Armed Forces.

11. Determining Entitlement. Under chapter 32, entitlement is maintained in both months and dollar amounts. Both types of entitlement are based on the contributions the participant has made.

a. Months of entitlement are based on the number of months the participant contributed rather than on the length of service (as is the case under chapter 34). One month of entitlement is credited for each month the participant contributes, up to a maximum entitlement of 36 months.

NOTE: Although contributions can be made for as many as 108 months, entitlement cannot exceed 36 months.

b. The dollar amount of entitlement is based on the total amount of money contributed by the participant and DOD plus the VA matching funds at the rate of $2 for every $1 contributed by the participant. This equals the maximum amount of educational assistance allowance payable.

c. No extension to either months or dollars of entitlement is allowable under chapter 32.

EXAMPLE: A participant contributes $50 per month for 12 months giving a total of $600 in participant contributions. DOD contributes $200.

| | | | |
|---|---|---|---|
| Months of entitlement | = | 12 | |
| Dollars of entitlement | = | $600 | (part. contributions) |
| | | 1,200 | (VA matching funds) |
| | | + $200 | (DOD contributions) |
| | | $2,000 | |

NOTE: Check the chapter 32 Target Master Inquiry (MINQ) screens to obtain the number of months of contributions and the amount of money contributed (see app. H of this circular). If DOD contributions were made, call Central Office immediately (FTS 389-2771) for further instructions.

12. Computing Monthly Rates and Benefit Payments. The PPU is responsible for computing monthly rates and benefit payments. The Adjudication activity will show "COMPUT" as the monthly rate on all award actions. Exhibit A contains the formulas which are used in these computations. These formulas are shown FOR INFORMATION PURPOSES ONLY.

13. Charging Entitlement. The amount of entitlement used (in both months and dollars) is charged based on exact benefits paid.

a. Months Entitlement Used. The elapsed-time calculation on a quarter-month basis (as in chapter 34) does not accurately reflect entitlement used under chapter 32. The entitlement factor (see exhibit A) reflects the entitlement used. Table II in exhibit A is used to convert the entitlement factor to months and days for information purposes only, primarily when communicating with the participant.

b. Dollar Entitlement Used. The amount of benefits paid is the dollar amount of entitlement used.

14. Counseling. The VR&C (Vocational Rehabilitation and Counseling) Division may provide counseling to applicants eligible for chapter 32 benefits. Immediately after the chapter 32 authorization action has been completed, the Adjudication Division will prepare a VA Form 22-1944, Eligibility, Entitlement and Counseling Information, (see M22-2, pt. II, ch. 5, par. 5.07) and will refer the form with the claims folder to the VR&C Division if one of two conditions is met:

a. The veteran requests counseling, or

b. The veteran has applied for chapter 32 benefits, has basic eligibility for participation in the chapter 31 program, and has never applied for chapter 31 benefits previously. The veteran will be considered to have basic eligibility for chapter 31 benefits and referral will be made if he or she has a compensable service-connected disability and meets one of the following criteria:

(1) The veteran is within 12 years of his or her discharge from service;

(2) The veteran is beyond 12 years from his or her date of discharge from service, but is within a period of extension for medical infeasibility, upgraded discharge or delayed date of rating, (See DVB Circular 28-80-3, app. D, par. 5a, b and c); or

(3) The veteran is beyond 12 years from his or her date of discharge from service, but he or she has a service-connected disability rated 30 percent or more.

15. Programs of Education. Under chapter 32, programs of education are essentially the same as those programs under chapter 34, with the following exceptions and/or variations.

a. The following programs are not approved for training under chapter 32:

(1) Apprenticeship programs;

(2) Other on-the-job training programs;

(3) Cooperative courses; and

(4) Farm cooperative programs.

b. The following benefits are not authorized under chapter 32:

(1) Work-study allowance;

(2) Tutorial assistance; and

(3) The 6-month [illegible]her training provided under VAR 14230(C)(2) because of technological advances.

c. The following [illegible] level courses are charged full entitlement under chapter

(1) Deficiency courses;

(2) Remedial courses; and

(3) Refresher courses.

d. Correspondence and flight training under chapter 32 are reimbursed at a rate of 100 percent of the established charges.

e. Elementary and secondary education programs are available to current and former enlisted persons only. Officers may not receive chapter 32 benefits for these types of courses. (See DVB Cir. 22-80-39, app. D, for claims processing instructions.)

16. Course Approvals. Courses offered for training under chapter 32 are approved in accordance with current provisions as defined in chapter 36, title 38, U.S.C. Courses currently approved for training under chapter 34 are considered approved for training under chapter 32 with the exception of those listed in paragraph 15a.

17. Disallowances

a. If basic eligibility does not exist (e.g., no or insufficient qualifying service, character of discharge is a bar, no chapter 32 contributions), the adjudicator or education clerk will prepare a VA Form 22-1992, Authorization for Certificate of Eligibility or Disallowance. This form is for record purposes only and is NOT FOR INPUT. The VA Form 22-1992 will be prepared as for chapter 34 with the following exceptions (see fig. 3):

(1) Transaction Code (item 1): The transaction code will be crossed out.

(2) Application for Input (item 3): The application is not for input.

(3) Type of Claim (item 6): Codes 2 and 6 are used for chapter 32.

(4) Name and Address of Applicant (item 7A): Enter the applicant's name and address. Below the address, enter the legend "FOR RECORD PURPOSES - CHAPTER 32."

(5) Items 14 and 15: Enter the legend "DO NOT INPUT" across these blocks.

(6) Reasons for Disallowance (item 24): When there is qualifying military service, but the applicant does not have contributions in the chapter 32 fund, reason code "97" should be checked. Other reason codes should be used as appropriate.

b. If basic eligibility exists, but the claim must be disallowed for other reasons (e.g., program not approved, claimant already qualified for objective), a VA Form 22-1992 will be prepared for record purposes only (i.e., NOT FOR INPUT) as above. A dictated letter or form letter will be sent to the applicant fully explaining the reason that the claim is not approved. If a program of instruction or training is not approved, two additional copies of the disallowance letter (FL 22-153, FL 22-89, or a dictated letter) will be prepared. One copy will be sent to the liaison representative and the other to the SAA (State approving agency) having jurisdiction.

c. When notifying the applicant, the reason for the disallowance and the applicant's appellate rights must be fully explained. If a denial is made because basic eligibility does not exist and the applicant has contributions in the chapter 32 fund, send the applicant a dictated letter (with VA Form 4-5281) advising of the following:

(1) If the applicant wishes to appeal, the VA will retain the contributions until a final decision on the appeal is reached.

(2) If the applicant does not wish to appeal, he or she may request a refund of the contributions by completing VA Form 4-5281 (see app. A, Revised, of this circular).

NOTE: A request for refund does not prevent a later appeal or in any other way abridge the applicant's appellate rights. If a valid appeal is initiated after a refund is made, advise the applicant that, if the appeal is granted, full contributions must be restored before any benefits are payable.

d. If DOD contributions were made, call Central Office (FTS number 389-2771) for further instructions.

18. Awards

a. General. Until chapter 32 processing is available on Target, award actions must be processed outside of the system. Award documents will be sent for manual processing to the PPU. To ensure award actions are processed out of the system, award forms will be clearly marked "DO NOT INPUT - CHAPTER 32."

NOTE: Instructions for processing original chapter 32 awards via Target are provided in appendix I of this circular.

b. Payment Processing Unit. The PPU is a unit in the Finance Division at the DPC (Data Processing Center) in Hines, Illinois, that performs the following manual functions:

(1) Computes monthly rates,

(2) Computes benefit payment amounts,

(3) Issues payment vouchers to Treasury in order to release checks,

(4) Calculates accounts receivable,

(5) Maintains all payment records,

(6) Releases award letters, overpayment notices, delinquent certification letters, etc.,

(7) Releases certification letters and Certification of Delivery cards, and

(8) Processes certification data received from regional offices.

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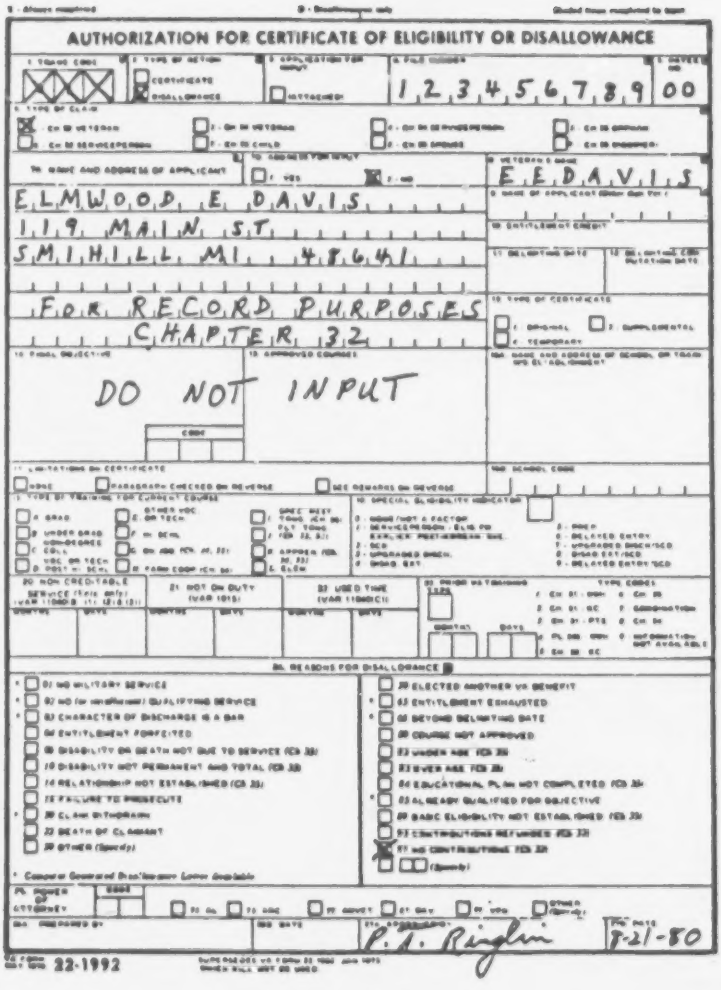
## DISALLOWANCE



AUTHORIZATION FOR CERTIFICATE OF ELIGIBILITY OR DISALLOWANCE

1 2 3 4 5 6 7 8 9 00

E D A V I S

E L M W O O D E D A V I S
1 1 9 M A I N S T
S M I T H L L M I 4 8 6 4 1

F O R R E C O R D P U R P O S E S
C H A P T E R 3 2

DO NOT INPUT

Figure 3

c. Original Certificate of Eligibility Data. An original award requires the preparation of a VA Form 22-1992 to record the C/E (certificate of eligibility) data. The VA Form 22-1992 will be prepared in duplicate in accordance with current procedures (per M22-2, pt. IV, chapter 4, par. 4.18c) with the following exceptions (see fig. 4):

(1) Transaction Code (item 1): The transaction code will be crossed out.

(2) Application for Input (item 3): The application is not for input and will not be attached when the form is sent to the PPU.

(3) Type of Claim (item 6): Codes 2 and 6 are used for chapter 32.

(4) Name and Address of Applicant (item 7A): Enter the applicant's name and address. Below the address, enter the legend "DO NOT INPUT- CHAPTER 32."

(5) Entitlement Credit (item 10): Enter the number of months and dollar amount of entitlement including participant, VA and DOD contributions (i.e., 14/$2,100).

(6) Delimiting Computation Date (item 12): This item is not used for chapter 32.

(7) Type of Certificate (item 13): Check code 1 - original. Code 4, temporary, will not be used under chapter 32.

(8) Name and Address of School or Training Establishment (item 16A): Show the full name and address including ZIP code.

(9) Type of Training for Current Course (item 18): The following types of training will not be used under chapter 32:

(a) G - On Job (ch. 34, 35)

(b) H - Farm Coop (ch. 34)

(c) I - Spec. Rest. Trng. (ch. 35)

(d) K - Appren. (ch. 34, 35)

(10) Special Eligibility Indicator (item 19): The following special eligibility indicators cannot be used under chapter 32:

(a) 1 - Serviceperson - Elig. from earlier post-Korean svc.

(b) 3 - Upgraded Disch.

(c) 4 - Disab. Ext.

(d) 5 - PREP

(e) 6 - Delayed Entry

(f) 7 - Upgraded Disch/SCD

(g) 8 - Disab. Ext./SCD

(h) 9 - Delayed Entry/SCD

(11) Used Time (item 22): This item is not applicable under chapter 32.

(12) Prior VA Training (item 23): Enter the appropriate numeric code for the type of prior VA training followed by the days of such prior training. No entry is required if the applicant had no training under other VA laws.

d. Original Award. Original awards which cannot be processed on Target (per app. I of this circular) will be completed on VA Form 22-1997, Education Award. The VA Form 22-1997 will be prepared in duplicate in accordance with current procedures (per M22-2, pt. IV, ch. 4, par. 4.19b) with the following exceptions (see fig. 5):

(1) Transaction Code and Type (item 1): These blocks will be crossed out.

(2) Veteran's Social Security Number (item 8): Show the social security number in this item if a claim number has been assigned as the file number (the claim number should be shown in item 4). Leave this item blank if the social security number is shown as the file number in item 4.

(3) Name and Address of Payee (item 11A): Below the address, enter the legend "DO NOT INPUT."

(4) Award Data - Dependency (items 13(B) and (C)): Leave blank in all instances since no additional allowance is payable for dependents under chapter 32 and no apportionment is possible.

(5) Award Data - Monthly Rate or Rate Per Lesson (item 13(D)). Enter the following:

(a) "COMPUT" - for IHL and NCD course. The monthly rate will be computed by the PPU at DPC Hines in accordance with exhibit A.

(b) The rate per lesson - for correspondence courses.

(c) "NONE" - for flight cases.

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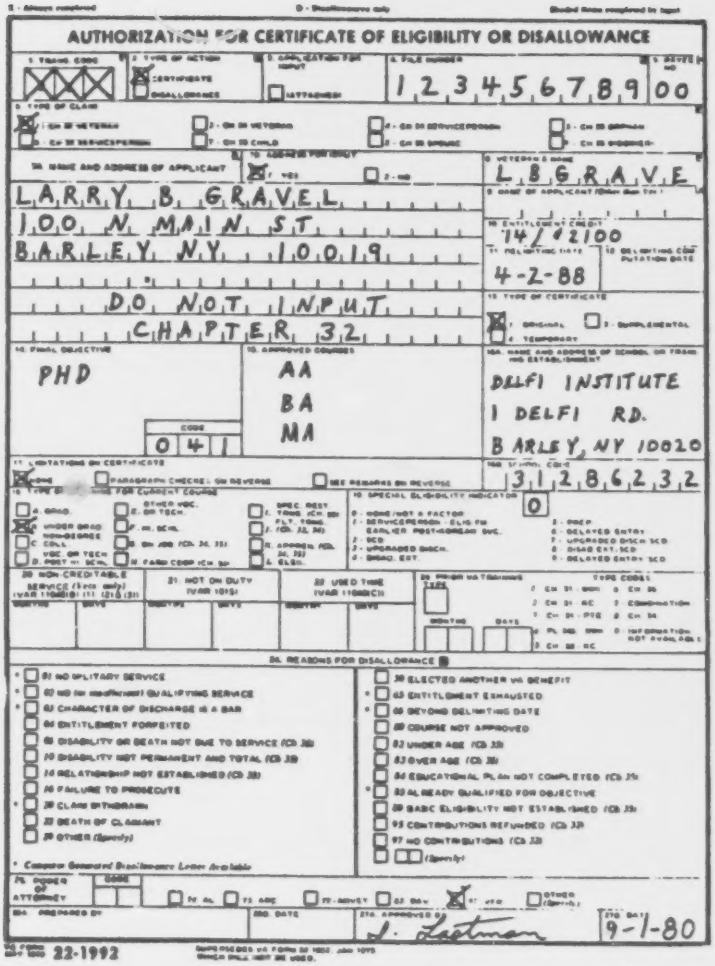
## CERTIFICATE OF ELIGIBILITY



AUTHORIZATION FOR CERTIFICATE OF ELIGIBILITY OR DISALLOWANCE

1. TRANS. CODE: X
2. TYPE OF ACTION: X CERTIFICATE
3. APPLICATION FOR: ATTACHED
4. FILE NUMBER: 123456789
5. DEVISE NO: 00
6. TYPE OF CLAIM: X (1) CH 31 VETERAN
7A. NAME AND ADDRESS OF APPLICANT: X (1) YES
LARRY B GRAVEL
100 N MAIN ST
BARLEY NY 10019
DO NOT INPUT
CHAPTER 32
8. VETERAN'S NAME: L B GRAVE
9. NAME OF APPLICANT (Other than Vet.)
10. ENTITLEMENT CREDIT: 14/12100
11. DELIMITING DATE: 4-2-88
12. DELIMITING COMPUTATION DATE
13. TYPE OF CERTIFICATE: X (1) ORIGINAL
14. FINAL OBJECTIVE: PHD
15. APPROVED COURSES: AA BA MA
CODE: 041
16A. NAME AND ADDRESS OF SCHOOL OR TRAINING ESTABLISHMENT
DELFI INSTITUTE
1 DELFI RD.
BARLEY, NY 10020
16B. SCHOOL CODE: 31286232
17. LIMITATIONS ON CERTIFICATE: X NONE
18. TYPE OF COURSE FOR CURRENT COURSE: X (4) UNDER GRAD
19. SPECIAL ELIGIBILITY INDICATOR: 0
20. NON CREDITABLE SERVICE (Years only) (VA Form 1900/01) (21-8103)
21. NOT ON DUTY (VA Form 1015)
22. USED TIME (VA Form 1905/CH)
23. PRIOR VA TRAINING
24. REASONS FOR DISALLOWANCE
25. NAME OF ATTORNEY OR AGENT
26. PREPARED BY
26A. DATE
27A. APPROVED BY: L. Lastman
27B. DATE: 9-1-80

VA Form 22-1992

Figure 4

(6) Award Data - Effective Date (item 13(E)): Show the complete award period, even though entitlement may be exhausted during that period. The PPU will determine the date entitlement is exhausted and will show it as the ending date on the award letter. If the delimiting date occurs during the award period, show the delimiting date as the ending date on the award.

(7) Award Data - Training Time (item 13(F)): Enter the appropriate training time code. Note that under chapter 32 all training taken at less than half time (i.e., codes "0" and "1") will be paid at the quarter-time rate. Training time code 5, coop. (other than farm), will not be used.

(8) Award Data - Entitlement Code (item 13(G)): Use entitlement code 51 for a veteran and 55 for a serviceperson.

(9) Award Data - Entitlement Charge (item 13(K)): This item will not be used since full entitlement will be charged for deficiency-type hours (see par. 15c).

(10) Remarks (item 14): Show the legend "CHAPTER 32."

(11) The following items need not be completed for a case under chapter 32:

(a) Initials and Surname of Person Entitled (item 10).

(b) Chapter 35 Data (items 15 and 16).

(c) Enrollment Period (item 20): No lump sum is payable under chapter 32.

(d) Extended Entitlement Indicator (item 21): Entitlement under chapter 32 cannot be extended.

(e) Children Data (item 24): No additional allowance for dependents is payable under chapter 32.

(f) All shaded areas except item 8, Veteran's Social Security Number.

e. Supplemental Certificate of Eligibility Data. A change in C/E data requires the preparation of a VA Form 22-1992. A change in C/E data includes a change of program or place of training. The VA Form 22-1992 will be prepared in duplicate in accordance with current procedures (per M22-2, pt. IV, chapter 4, par. 4.18c) with the exceptions listed in subparagraph c above.

f. Reentrance Award. Reentrance awards will be prepared on a VA Form 22-1997 in duplicate in accordance with current procedures (per M22-2, pt. IV, chapter 4, par. 4.19b) with the exceptions listed in subparagraph d above (see figs. 6 and 7).

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ORIGINAL IHL AWARD

NOTE - SHADED ITEMS TO BE COMPLETED BY INPUT ACTIVITY

| | |
|---|---|
| 4. FILE NUMBER | 27558888 00 06 |
| 7. POWER OF ATTORNEY | |
| 8. VETERAN'S SOCIAL SECURITY NUMBER | 123456789 |
| 9. INITIALS AND SURNAME OF VETERAN | CJLOMBA |
| 11A. NAME AND ADDRESS OF PAYEE | |
| PAYEE NAME | CORY J LOMBARD |
| PAYEE ADDRESS | 31 SOUTH ST |
| | STATEN ISLAND NY |
| | 10212 |
| | DO NOT INPUT |
| 10. INITIALS AND SURNAME OF PERSON ENTITLED (Other than vet) | |
| 12. PRIOR NO. 1 AWARD DATA | |

13. AWARD DATA

| CHANGE REASON (Codes on reverse) (A) | DEPENDENCY TOTAL (B) | DEPENDENCY THIS (C) | MONTHLY RATE OR RATE PER LESSON (D) | EFFECTIVE DATE (E) | TRAINING TIME (F) | ENT CODE (G) | ATTENDANCE HOURS TYPE (H) | ATTENDANCE HOURS NO (I) | ATTENDANCE DAYS PER WEEK (J) | *ENT. CHARGE (K) |
|---|---|---|---|---|---|---|---|---|---|---|
| 00 | | | COMPUT | 6-13-80 | 3 | 51 | Q | 11 | | |
| 61 | | | NONE | 8-16-80 | | | | | | |

TRAINING TIME CODES
0-1/4 TIME OR LESS
1-MORE THAN 1/4 BUT LESS THAN 1/3 TIME
2-1/2 TIME
3-3/4 TIME
4-FULL TIME
5-COOP (Other than farm)
6-CORRESPONDENCE
7-FLIGHT

ATTENDANCE TYPE
*0-NONCREDIT DEPIC, ETC. (If code "0" is used in col. K, enter appr. charge units in col. K)
1-HIGH SCHOOL UNITS
CREDIT HOURS
2-QUARTER HOURS
3-SEMESTER HOURS
CLOCK HOURS
4-CLOCK HOURS
5-CLOCK-SHOP PREP
6-CLOCK-RESID INTERN

14. REMARKS: CHAPTER 32

CHAPTER 35 DATA
15. VETERAN'S RELATIONSHIP (Original award only)
1-VET
2-WIDOW
3-HUSBAND
4-WIFE
5-CHILD
6-PERT D.C.
7-MOTHER DEA

17. TOTAL SUBSIDY DOLLARS CENTS
18. NUMBER OF CORRES. PROGRESS REPORTS
19. CO-OP CODE (Current) 060

20. CORRESPONDENCE METHOD (Leave one indicated) - (Complete for original and resumed institutional awards.)
1-VOC SUB PAYABLE 1-SCHOOL OPERATES ON TERM QUARTER, SEMESTER BASIS
2-VOC SUB NOT PAYABLE 2-SCHOOL OPERATES ON YEAR - ROUND BASIS

21. EXTENDED ENTITLEMENT INDICATOR (Chapter 34 only)
1-SEMESTER
2-QUARTER
3-OTHER
4-6 MONTHS (Withdrawal)

16. RECORD CHANGE (EDIT/VAR 1000)
1-YES 2-NO

22. CERTIFICATION
23. DATE OF CLAIM: 7-31-80
23A. ADJUDICATION
23B. DATE

24. CHILDREN DATA

| ACTION 1-ESTAB 2-CANCEL 3-MOVE (A) | PAYEE NO (B) | SEX 1-M 2-F (C) | BIRTHDATE (D) | STATUS 1-NOT IN 2-SCHOOL 3-HELP (E) |
|---|---|---|---|---|
| | 00 | | | |
| | 00 | | | |
| | 00 | | | |
| | 00 | | | |
| | 00 | | | |
| | 00 | | | |
| | 00 | | | |

NUMBER OF CHILDREN OVER 0

25A. AUTHORIZED: J. Thompson
25B. DATE: 8-18-80

VA FORM 22-1997 — EDUCATION AWARD (CH. 34 & 35)

Figure 5

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REENTRANCE CORRESPONDENCE AWARD

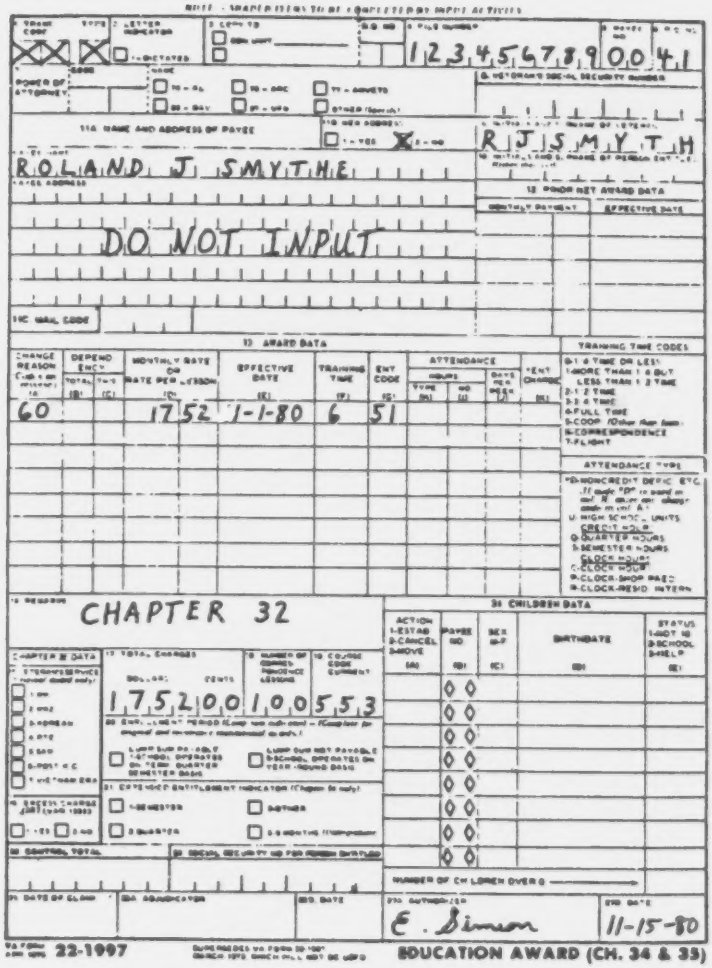


Figure 6

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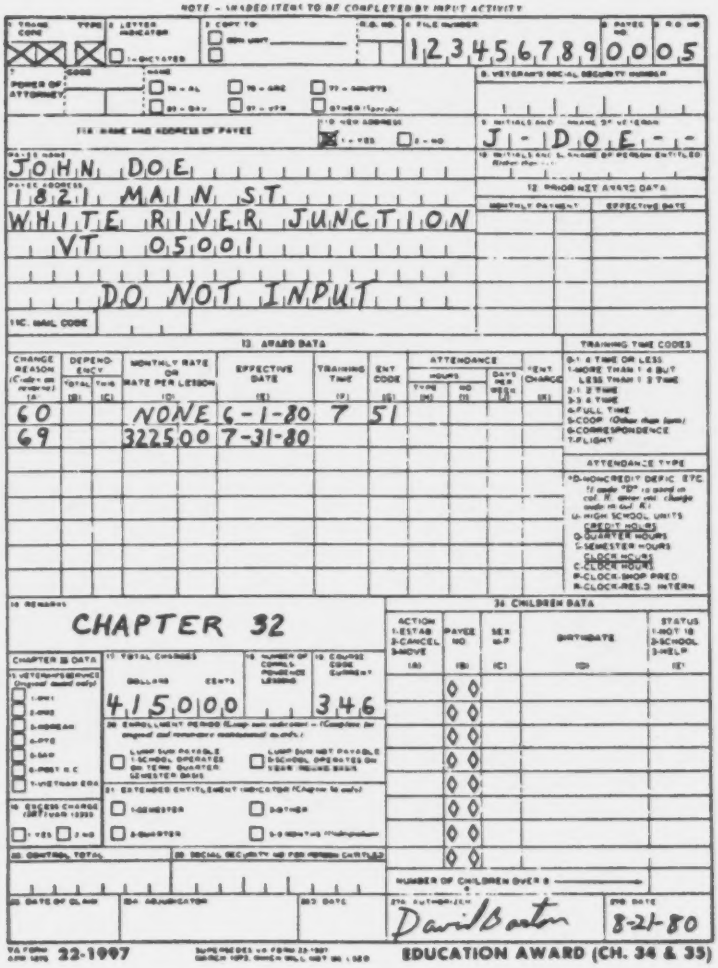
REENTRANCE FLIGHT AWARD WITH CERTIFICATION


NOTE - SHADED ITEMS TO BE COMPLETED BY INPUT ACTIVITY

4 FILE NUMBER: 123456789 0005

PAYEE NAME: JOHN DOE

PAYEE ADDRESS: 1821 MAIN ST
WHITE RIVER JUNCTION
VT 05001

DO NOT INPUT

INC. MAIL CODE

11 AWARD DATA

| CHANGE REASON | DEPENDENCY TOTAL | DEPENDENCY TYPE | MONTHLY RATE OR RATE PER LESSON | EFFECTIVE DATE | TRAINING TIME | ENT CODE | ATTENDANCE HOURS TYPE | ATTENDANCE HOURS NO | ATTENDANCE DAYS PER WEEK | ENT CHARGE |
|---|---|---|---|---|---|---|---|---|---|---|
| 60 | | | NONE | 6-1-80 | 7 | 51 | | | | |
| 69 | | | 322500 | 7-31-80 | | | | | | |

TRAINING TIME CODES
0-1/4 TIME OR LESS
1-MORE THAN 1/4 BUT LESS THAN 1/2 TIME
2-1/2 TIME
3-3/4 TIME
4-FULL TIME
5-COOP (Other than farm)
6-CORRESPONDENCE
7-FLIGHT

ATTENDANCE TYPE
*D-NONCREDIT DEPIC ETC
U-HIGH SCHOOL UNITS
CREDIT HOURS
Q-QUARTER HOURS
S-SEMESTER HOURS
CLOCK HOURS
C-CLOCK HOUR
P-CLOCK SHOP PREP
R-CLOCK-RES.D INTERN

10 REMARKS: CHAPTER 32

CHAPTER 33 DATA

12 TOTAL CHARGES: DOLLARS 4150 00 CENTS

13 NUMBER OF CREDIT/CLOCK HOURS

14 COURSE CODE: 3462

14A ENTITLEMENT CHARGE (1/87 FORM 22-1999)

15 CONTROL TOTAL

16 SOCIAL SECURITY NO FOR PERSON ENTITLED

17 DATE OF BIRTH

18A ABBREVIATION

18B DATE

24 CHILDREN DATA

| ACTION 1-ESTAB 2-CANCEL 3-MOVE | PAYEE NO | SEX M-F | BIRTHDATE | STATUS 1-NOT IN 2-SCHOOL 3-HELP |
|---|---|---|---|---|
| | 00 | | | |
| | 00 | | | |
| | 00 | | | |
| | 00 | | | |
| | 00 | | | |
| | 00 | | | |
| | 00 | | | |

NUMBER OF CHILDREN OVER 8

25A AUTHORIZED: David Baxter

25B DATE: 8-21-80

VA Form 22-1997 — EDUCATION AWARD (CH. 34 & 35)

Figure 7

g. Advance Payment. Current procedures for processing advance payments (whether original or reentrance awards) apply.

(1) Show the legend "CH32 - ADVANCE PAY" in item 14, Remarks.

NOTE: Be sure that the full name and address (including ZIP code) of the school to which the check should be mailed has previously been sent to the PPU.

(2) VA Form 22-1999V is manually prepared at the PPU and forwarded to Treasury to be mailed with the check. The card should be returned to the PPU to clear the advance pay bar or control. In lieu of the card, an amended award can also serve as certification by showing the legend "CLEAR COD CONTROL" in item 14, Remarks.

h. Amended Award. Amended awards will be prepared on VA Form 22-1997 in duplicate in accordance with current procedures (M22-2, pt. IV, ch. 4, par. 4.19b) with the exceptions listed in subparagraph d above (see fig. 8).

(1) An amended award can be used to clear an advance payment bar or control (equivalent to ch. 34 transaction code 14A) by showing the legend "CLEAR COD CONTROL" in item 14, Remarks.

(2) An amended award can also be used to clear an IHL verification of pursuit control (equivalent to ch. 34 transaction code 14K) by showing the legend "CLEAR IHL CERT CONTROL" in item 14, Remarks.

i. Expedited Payments. No special payment procedures (either local or regular) are currently applicable under chapter 32. Instead, payments will be expedited through the following procedures.

(1) The Adjudication activity will request expedited payment based on the criteria in effect for special payments (see M22-2, pt. IV, ch. 9).

(2) A VA Form 3230 with the legend "CHAPTER 32 - EXPEDITED PAYMENT" should be used to refer the award to the Finance activity in order to keep it separate from other cases. In NCD cases, absence data should be shown if required. Enter the legend "CH32 - SPE PAY" in item 14, Remarks, of the award form.

(3) The Finance Officer will "telefax" a copy of the award to the PPU for immediate processing. The original will be annotated "Transmitted to the PPU (Date)" and returned to the Adjudication activity for drop filing.

j. Stop-Suspend-Resume Payment. VA Form 21-8046, Payment Notice (Stop-Suspend-Resume), will be prepared in duplicate in accordance with current procedures (per M22-2, pt. IV, ch. 4, par. 4.20b) with the following exceptions (see figs. 9 and 10):

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AMENDED IHL AWARD

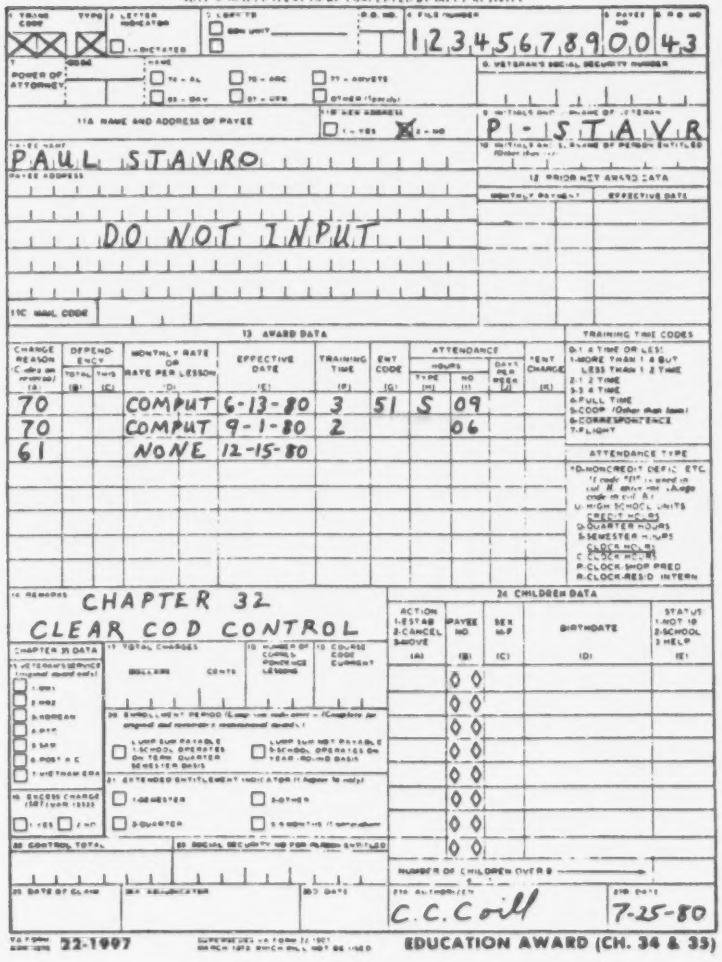


Figure 8

(1) Type of Award (item 1): "CHAP. 34" will be altered to reflect CHAP. 32 by deleting the "34" and inserting "32

(2) Action Codes (item 4): The transaction and file code will be crossed out.

(3) New Address (item 10): Enter the legend "DO NOT INPUT - CHAPTER 32."

k. Change of Name and Address. VA Form 20-6566, Change of Name and Address Notice, will be prepared in accordance with current procedures with the following exceptions:

(1) Change Type - Trans. Code (item 5): The transaction code will be crossed out.

(2) Remarks (item 13): Enter the legend "DO NOT INPUT - CHAPTER 32."

l. End Products. An end product 220 will be taken for each issue under chapter 32 just as for an issue under chapter 34.

m. Disposition of Awards. All authorization actions will be prepared in original and one copy. The copy will be filed for record in the folder. The original will be forwarded to the PPU at Hines with VA Form 3230, Reference Slip, used as a transmittal cover sheet. A supply may be overprinted locally as shown in figure 11.

(1) Transmittal number "001" will be assigned to the first transmittal submitted; subsequent transmittals will carry the next sequential number. At the end of the calendar year, the last transmittal will be clearly marked "FINAL FOR YR____." The transmittal number will revert to 001 with the first transmittal to be submitted the next calendar year. Local procedures will be developed to control the three-digit sequential transmittal number assignment.

(2) The VA Form 3230 will be completed in duplicate. Show the three-digit transmittal number assigned and include the count of each type document being sent.

(3) The original VA Form 3230 will be placed on top of the documents and packaged in a suitable mailing envelope or carton. When the transmittal contains more than one type of document, the documents should be grouped together by file number.

(4) The package label will be clearly marked "CH 32 DOCUMENTS - PPU/DPC HINES" and will carry the address of the PPU which is:

Veterans Administration (201/35B/PPU)
Data Processing Center
Lock Box 66303
AMF O'Hare, Illinois 60666



16-032 O - 83 - 5

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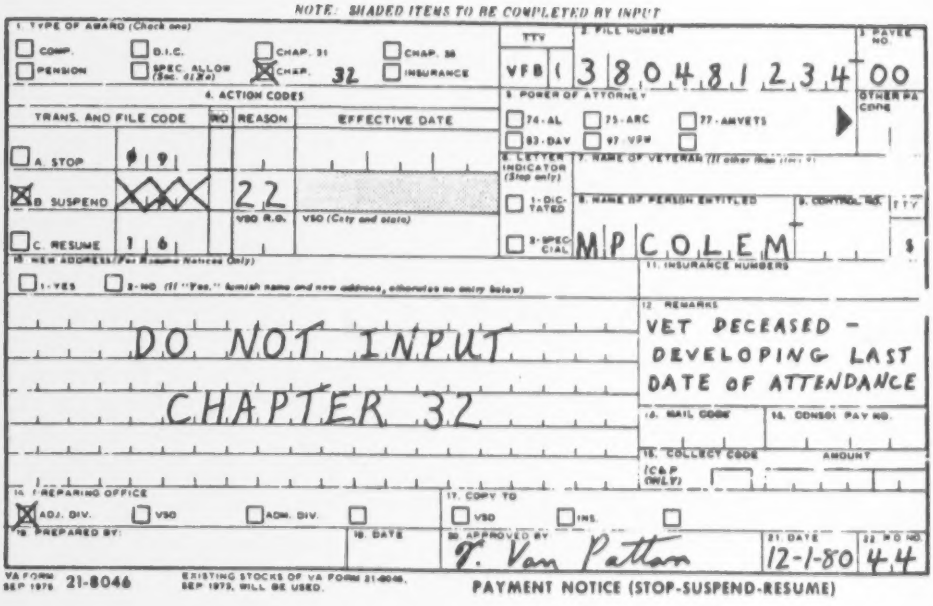
SUSPEND-PAYMENT NOTICE


NOTE: SHADED ITEMS TO BE COMPLETED BY INPUT

1. TYPE OF AWARD (Check one)
☐ COMP. ☐ D.I.C. ☐ CHAP. 31 ☐ CHAP. 35
☐ PENSION ☐ SPEC. ALLOW (Sec. 612(a)) ☒ CHAP. 32 ☐ INSURANCE

TTY
2. FILE NUMBER: VFB 1 3 8 0 4 8 1 2 3 4
3. PAYEE NO.: 00

4. ACTION CODES

| TRANS. AND FILE CODE | MO | REASON | EFFECTIVE DATE |
|---|---|---|---|
| ☐ A. STOP | 1 9 1 | | |
| ☒ B. SUSPEND | XXXX | 22 | |
| ☐ C. RESUME | 1 6 | | |

VSO R.O. | VSO (City and state)

5. POWER OF ATTORNEY
☐ 74-AL ☐ 75-ARC ☐ 77-AMVETS
☐ 83-DAV ☐ 97-VFW ☐

OTHER PA CODE

6. LETTER INDICATOR (Stop only)
☐ 1-DISSATISFIED ☐ 2-SPECIAL

7. NAME OF VETERAN (If other than item 8)

8. NAME OF PERSON ENTITLED: M P C O L E M

9. CONTROL NO. | ETY | $

10. NEW ADDRESS (For Resume Notices Only)
☐ 1-YES ☐ 2-NO (If "Yes," furnish name and new address, otherwise no entry below)

DO NOT INPUT
CHAPTER 32

11. INSURANCE NUMBERS

12. REMARKS: VET DECEASED - DEVELOPING LAST DATE OF ATTENDANCE

16. MAIL CODE | 16. CONSOL PAY NO.

15. COLLECT CODE | AMOUNT (C&P ONLY)

14. PREPARING OFFICE
☒ ADJ. DIV. ☐ VSO ☐ ADM. DIV. ☐

17. COPY TO
☐ VSO ☐ INS. ☐

18. PREPARED BY: | 19. DATE

20. APPROVED BY: T. Van Patten | 21. DATE: 12-1-80 | 22. M O NO.: 4 4

VA FORM 21-8046 SEP 1978 — EXISTING STOCKS OF VA FORM 21-8046, SEP 1973, WILL BE USED.

PAYMENT NOTICE (STOP-SUSPEND-RESUME)

Figure 9

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**STOP-PAYMENT NOTICE**

NOTE: SHADED ITEMS TO BE COMPLETED BY INPUT

| | | | |
|---|---|---|---|
| 1. TYPE OF AWARD | TTY | 2. FILE NUMBER | 3. PAYEE NO. |
| ☐ COMP ☐ DIC ☐ CHAP. 31 ☐ CHAP. 35 ☐ PENSION ☐ WEC ALLOW (Sec. 412) ☒ CHAP. 32 ☐ INSURANCE | VFB [1] | 1 2 3 4 3 8 0 4 8 | 00 |
| 4. ACTION CODES | 5. POWER OF ATTORNEY | | OTHER VA CODE |
| ISSUE AND FILE CODE: XXX | NO. REASON: 64 | EFFECTIVE DATE: 0 6 3 0 8 0 | ☐ 74-AL ☐ 75-ARC ☐ 77-AMVETS ☐ 83-DAV ☐ 97-VFW |
| ☒ A. STOP | | | 6. LETTER INDICATOR (Stop only) ☐ 1-DIC-TATED ☐ 2-SPECIAL |
| ☐ B. SUSPEND | 1 0 | VSO R.O. | 7. NAME OF VETERAN (If other than in item 8) |
| ☐ RESUME | 1 6 | VSO (City and state) | 8. NAME OF PERSON ENTITLED: L - W U R S C |
| 10. NEW ADDRESS (For Records Purposes Only) | | | 9. CONTROL NO. / TTY / $ |
| ☐ 1. YES ☐ 2. NO (If "Yes," furnish name and new address, otherwise no entry below) | | | 11. INSURANCE NUMBERS |
| DO NOT INPUT | | | 12. REMARKS |
| CHAPTER 32 | | | 13. MAIL CODE / 14. CONSOL PAY NO. |
| | | | 15. COLLECT CODE (C&P ONLY) / AMOUNT |
| 16. HEARING OFFICE | 17. COPY TO | | |
| ☒ ADJ. DIV. ☐ VSO ☐ ADM. DIV. ☐ | ☐ VSO ☐ INS. ☐ | | |
| 18. TELEPHONE | 19. DATE | 20. APPROVED BY: C. Dolan | 21. DATE: 8-3-80 / 22. R.O. NO: 1 3 |

VA FORM 21-8046 SEP 1978 — EXISTING STOCKS OF VA FORM 21-8046 SEP 1973, WILL BE USED

PAYMENT NOTICE (STOP-SUSPEND-RESUME)

Figure 10

(5) If the package weighs 12 ounces or less, send it via first class mail. If it exceeds 12 ounces, the label MUST be marked and sent "PRIORITY MAIL." Failure to indicate priority mail will result in the Postal Service treating the package as third or fourth class mail.

(6) An adding machine tape listing by file number will be made of each type of form to be transmitted. The duplicate VA Form 3230 and file number listings will be retained in a holding file identified "CH 32 DOCUMENTS - PPU, DPC HINES."

n. Miscellaneous Award Considerations

(1) Flash Folder: Flash the folder to indicate that this is a chapter 32 case. VA Form 3230, Reference Slip, may be overprinted locally to serve this function.

(2) Intervals: Authorize payment for intervals between terms by utilizing the current procedures for trainees under chapters 34 and 35.

(3) Apportionments: Since no additional allowance is payable for dependents under chapter 32, no apportionments of educational assistance allowance may be authorized.

(4) Mitigating Circumstances: Consider mitigating circumstances based on the same procedures as used under chapters 34 and 35.

NOTE: As under chapters 34 and 35, a reduction in training time is effective at the end of the month during which the change took place or at the end of the term, whichever is earlier. If mitigating circumstances are not submitted or not found to be acceptable, the reduction is effective the first day of the term.

(5) Elementary and Secondary Training: Separate instructions cover the processing of these claims.

19. Change of Status

a. Change From Inservice to Veteran Status. Upon receipt of a notice that a serviceperson has been discharged from active duty, a determination must be made as to eligibility in accordance with paragraph 5a.

(1) If eligibility does not exist (e.g, character of discharge is a bar), any educational benefits authorized for periods after the serviceperson was released from active duty will be terminated effective the day after the RAD date. A dictated letter must be sent in order to:

(a) Explain the reason for denial;

(b) Inform the veteran of his or her appellate rights; and

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TRANSMITTAL COVER SHEET

VETERANS ADMINISTRATION

**REFERENCE SLIP**

| TO (Name or title—Mail routing symbol) | INITIALS—DATE |
|---|---|
| 1. Director (201/35B/PPU) | |
| 2. VA Data Processing Center | |
| 3. Lock Box 66303 | |
| 4. AMF O'Hare, IL 60666 | |
| 5. | |

REASON FOR REFERENCE

☐ AS REQUESTED ☐ FOR YOUR FILES ☐ NOTE AND RETURN
☐ COMMENTS ☐ INFORMATION ☐ PER CONVERSATION
☐ CONCURRENCE ☐ NECESSARY ACTION ☐ SIGNATURE

REMARKS

SUBJ: Transmittal of Ch. 32 Benefit Payment Documents For Manual Processing

TRANSMITTAL NO.: _____

_____ 1. VA Forms 22-1997

_____ 2. VA Forms 22-1992

_____ 3. VA Forms 21-8046

_____ 4. VA Forms 20-6566

_____ 5. Certifications (VAF 22-1999V, 22-6553 series or cert. letter )

_____ 6. Other (specify):

| FROM | DATE |
|---|---|
| Sending station name, address with correspondence symbol and ZIP Code (FTS telephone contact) → | MM-DD-YY<br>TEL. EXT.<br>X-XXX-XXX |

VA FORM AUG 1976 3230 EXISTING STOCKS OF VA FORM 3230, OCT 1966, WILL BE USED U.S. GPO: 1979—286-473/751

Figure 11

(c) Advise the veteran of the disposition of his or her contributions in the chapter 32 fund (see par. 17c).

(2) If eligibility exists, VA Form 3230 will be prepared in duplicate to reflect veteran status. The original will be forwarded to the PPU at Hines and the copy filed for record in the folder. The VA Form 3230 will include a notice of change to veteran status with the following information:

(a) RAD;

(b) Type of claim "2";

(c) Entitlement code "51";

(d) Delimiting date.

b. Change From Veteran to Inservice Status

(1) Upon receipt of a notice that a veteran has returned to active duty, VA Form 3230 will be prepared in duplicate to reflect inservice status. The original will be forwarded to the PPU at Hines and the copy filed for record in the folder. The VA Form 3230 will include a notice of change to inservice status with the following information:

(a) Latest EOD and CEOD;

(b) RAD as "On Duty";

(c) Type of claim "6";

(d) Entitlement code "55";

(e) Delimiting date as "On Duty."

(2) If the veteran remains in school after returning to active duty, a VA Form 22-8821 must be completed by the claimant with the certification by the commanding officer and the education services officer.

NOTE: No adjustment in benefits is necessary because of the change to inservice status.

20. Education Loans. Students training under chapter 32 may receive VA education loans in accordance with current procedures with the following exceptions:

a. The aggregate of the amounts borrowed may not exceed the student's remaining entitlement (i.e., participant, VA and DOD contributions), with a maximum not to exceed $2,500 in any one regular academic year.

b. The provision that allows payment of an education loan up to 2 years following a veteran's delimiting date (38 U.S.C. 1662(a)(2)) does not apply under chapter 32.

c. The provision that allows accelerated payment to partially cancel an education loan (38 U.S.C. 1682A) does not apply under chapter 32.

21. Payment Inquiries. All payment inquiries will be handled under current procedures. However, note that the Target inquiry screens are not updated when benefit payments are made, but that the message "CHAPTEP 32 BENEFITS HAVE BEEN PAID" displays at the bottom of the M26 and M27 screens (see app. H of this circular). If necessary to answer an inquiry, regional office personnel may direct pertinent questions through their Finance Officer to the PPU (FTS number 387-6651).

22. RESCISSIONS. Appendix C, dated October 10, 1978; Appendix E dated May 17, 1979; and changes 5, 6 and erratum dated April 29, 1980, to DVB Circular 20-77-25.

Dorothy L. Starbuck

DOROTHY L. STARBUCK
Chief Benefits Director

Distribution: CO: RPC 2900
FD FLD: RPC 2223, plus 10 additional copies for Finance in ROA; VBC, 1 each
EX: ASO and AR, 1 each

DVB Circular 20-77-25
Appendix C , Revised
Exhibit A

June 5, 1981

COMPUTING MONTHLY RATES AND BENEFIT PAYMENTS

1. General

a. Although the PPU is responsible for computing monthly rates and benefit payments on individual cases, the following formulas are being shown for general information purposes. The Adjudication activity will show "COMPUT" as the monthly rate on all IHL and NCD award actions. Publishing the formulas should be useful in demonstrating the difference in payments between the chapter 32 and chapter 34 programs. They are shown FOR INFORMATION PURPOSES ONLY.

b. This difference exists because of the complexity of the chapter 32 program and the need to take the following requirements into consideration:

(1) Each payment must be separated into three parts (VA, participant and DOD). The ratio between the VA and participant portions must be maintained at 2-to-1.

(2) Those cases in which a serviceperson who is contributing to the fund while receiving benefits changes the amount of his or her contributions, must be provided for because the amounts are subject to change from month to month.

2. Payment Formulas

a. Full-Time Monthly Rate. To compute the full-time monthly rate, the following steps are taken:

(1) Divide the participant's remaining contributions by the remaining months of entitlement. The quotient is the participant portion.

(2) Multiply the participant portion by two. The result is the VA portion.

(3) Divide the remaining DOD contributions by the remaining months of entitlement. The quotient is the DOD portion.

(4) Add the participant, VA and DOD portions to obtain the full-time monthly rate.

b. Benefit Payment - IHL and NCD. To compute a benefit payment for a given period for IHL and NCD training, the following steps are taken:

(1) Determine the entitlement factor by use of Table I.

(2) Multiply the participant's remaining contributions by the entitlement factor, and divide the result by the remaining months of entitlement. The quotient is the participant portion.

(3) Multiply the participant portion by two. The result is the VA portion.

(4) Multiply the remaining DOD contributions by the entitlement factor, and divide the result by the remaining months of entitlement. The quotient is the DOD portion.

(5) Add the participant, VA and DOD portions.

(6) The amount of the benefit payment is the lesser of

(a) The sum obtained in subparagraph (5), or

(b) The dollar amount of entitlement remaining.

c. Benefit Payment - Correspondence and Flight. To compute a benefit payment for flight and correspondence training, the following steps are taken:

(1) Determine the entitlement factor as follows:

(a) Compute the full-time monthly rate in accordance with the steps in paragraph 2a.

(b) Divide the amount certified (correspondence or flight charges) by the full-time monthly rate. The quotient (carried out five places and rounded) is the entitlement factor.

(2) Multiply the participant's remaining contributions by the entitlement factor, and divide the result by the remaining months of entitlement. Round upward to the next higher cent. The quotient is the participant portion.

(3) Multiply the participant portion by two. The result is the VA portion.

(4) Multiply the remaining DOD contributions by the entitlement factor, and divide the result by the remaining months of entitlement. Round upward to the next higher cent. The quotient is the DOD portion.

(5) Add the participant, VA and DOD portions.

(6) The amount of the benefit payment is the lesser of

(a) The sum obtained in subparagraph (5), or

(b) The dollar amount of entitlement remaining.

NOTE: The amount paid for correspondence and flight training may exceed the charges certified by a few cents. This is to allow an exact VA-to-participant portion ratio of 2-to-1.

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Appendix C, Revised
Exhibit A (Con.)

## TABLE I
## ENTITLEMENT FACTORS FOR IHL AND NCD TRAINING

USE OF TABLE: Determine the factors for each month of the period for which payment is being computed, and then combine them to obtain the entitlement factor for the entire benefit payment period involved. For each month, determine the number of days in the appropriate "benefit period" column, and read across that line to locate the entitlement factor in the appropriate "training time" column. Use the bottom line for a complete month.

EXAMPLE: If the benefit payment covers the period June 19 through August 4 at 1/2 time:
The factor for June (from the 19th) is .2
The factor for July (complete month) is .5
The factor for August (to the 4th) is .06667
The entitlement factor for the entire payment is .76667 (i.e.,.2 plus .5 plus .06667.

| BENEFIT PERIOD BEGINNING DATE | ENTITLEMENT FACTOR (TRAINING TIME) FULL TIME (4) | 3/4 TIME (3) | 1/2 TIME (2) | 1/4 TIME (0,1) | BENEFIT PERIOD ENDING DATE |
|---|---|---|---|---|---|
| 30 | .03333 | .025 | .01667 | .00833 | 1 |
| 29 | .06667 | .050 | .03333 | .01667 | 2 |
| 28 | .10000 | .075 | .05000 | .02500 | 3 |
| 27 | .13333 | .100 | .06667 | .03333 | 4 |
| 26 | .16667 | .125 | .08333 | .04167 | 5 |
| 25 | .20000 | .150 | .10000 | .05000 | 6 |
| 24 | .23333 | .175 | .11667 | .05833 | 7 |
| 23 | .26667 | .200 | .13333 | .06667 | 8 |
| 22 | .30000 | .225 | .15000 | .07500 | 9 |
| 21 | .33333 | .250 | .16667 | .08333 | 10 |
| 20 | .36667 | .275 | .18333 | .09167 | 11 |
| 19 | .40000 | .300 | .20000 | .10000 | 12 |
| 18 | .43333 | .325 | .21667 | .10833 | 13 |
| 17 | .46667 | .350 | .23333 | .11667 | 14 |
| 16 | .50000 | .375 | .25000 | .12500 | 15 |
| 15 | .53333 | .400 | .26667 | .13333 | 16 |
| 14 | .56667 | .425 | .28333 | .14167 | 17 |
| 13 | .60000 | .450 | .30000 | .15000 | 18 |
| 12 | .63333 | .475 | .31667 | .15833 | 19 |
| 11 | .66667 | .500 | .33333 | .16667 | 20 |
| 10 | .70000 | .525 | .35000 | .17500 | 21 |
| 9 | .73333 | .550 | .36667 | .18333 | 22 |
| 8 | .76667 | .575 | .38333 | .19167 | 23 |
| 7 | .80000 | .600 | .40000 | .20000 | 24 |
| 6 | .83333 | .625 | .41667 | .20833 | 25 |
| 5 | .86667 | .650 | .43333 | .21667 | 26 |
| 4 | .90000 | .675 | .45000 | .22500 | 27 |
| 3 | .93333 | .700 | .46667 | .23333 | 28 |
| 2 | .96667 | .725 | .48333 | .24167 | 29 |
| 1 | 1.00000 | .750 | .50000 | .25000 | 30 |

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## TABLE II
## ENTITLEMENT FACTOR CONVERSION TABLE (ALL TYPES TRAINING)

USE OF TABLE:

1. To convert the entitlement factor (see par. 11 of this app.) to days used, locate the factor in the "Entitlement Factor" column, and the corresponding days in the "Days Used" column.

2. To determine the number of full days' entitlement remaining, subtract the total entitlement used from the original entitlement. Locate this figure in the "Remaining Entitlement" column, and the corresponding days in the "Days Remaining" column.

EXAMPLE:

1. Entitlement Factor of .76667 converts to 23 days used.

2. If the original entitlement is 24 months, the remaining entitlement is 23.23333 months (i.e., 24 less .76667) which converts to 23 months, 7 days entitlement remaining.

| ENTITLEMENT FACTOR | DAYS USED[1] | REMAINING ENTITLEMENT (original ent. less entitlement factor) | DAYS REMAINING[2] |
|---|---|---|---|
| .00001 - .03333 | 1 | .00000 - .03332 | 0 |
| .03334 - .06667 | 2 | .03333 - .06666 | 1 |
| .06668 - .10000 | 3 | .06667 - .09999 | 2 |
| .10001 - .13333 | 4 | .10000 - .13332 | 3 |
| .13334 - .16667 | 5 | .13333 - .16666 | 4 |
| .16668 - .20000 | 6 | .16667 - .19999 | 5 |
| .20001 - .23333 | 7 | .20000 - .23332 | 6 |
| .23334 - .26667 | 8 | .23333 - .26666 | 7 |
| .26668 - .30000 | 9 | .26667 - .29999 | 8 |
| .30001 - .33333 | 10 | .30000 - .33332 | 9 |
| .33334 - .36667 | 11 | .33333 - .36666 | 10 |
| .36668 - .40000 | 12 | .36667 - .39999 | 11 |
| .40001 - .43333 | 13 | .40000 - .43332 | 12 |
| .43334 - .46667 | 14 | .43333 - .46666 | 13 |
| .46668 - .50000 | 15 | .46667 - .49999 | 14 |
| .50001 - .53333 | 16 | .50000 - .53332 | 15 |
| .53334 - .56667 | 17 | .53333 - .56666 | 16 |
| .56668 - .60000 | 18 | .56667 - .59999 | 17 |
| .60001 - .63333 | 19 | .60000 - .63332 | 18 |
| .63334 - .66667 | 20 | .63333 - .66666 | 19 |
| .66668 - .70000 | 21 | .66667 - .69999 | 20 |
| .70001 - .73333 | 22 | .70000 - .73332 | 21 |
| .73334 - .76667 | 23 | .73333 - .76666 | 22 |
| .76668 - .80000 | 24 | .76667 - .79999 | 23 |
| .80001 - .83333 | 25 | .80000 - .83332 | 24 |
| .83334 - .86667 | 26 | .83333 - .86666 | 25 |
| .86668 - .90000 | 27 | .86667 - .89999 | 26 |
| .90001 - .93333 | 28 | .90000 - .93332 | 27 |
| .93334 - .96667 | 29 | .93333 - .96666 | 28 |
| .96668 - 1.00000 | 30 (1 mo.) | .96667 - .99999 | 29 |

[1]Refers to the number of days' or partial days' entitlement used.

[2]Refers to the number of full days' entitlement remaining.



*U.S. GOVERNMENT PRINTING OFFICE 1981 341-487/3458

Department of Veterans Benefits
Veterans Administration
Washington, D. C. 20420

DVB Circular 20-77-25
Appendix D, Revised
June 11, 1981

CHAPTER 32 ADJUDICATION DEATH PROCEDURES

1. Purpose. This appendix provides instructions for processing claims for refund of unused chapter 32 contributions in death cases. It also provides instructions (par. 8) for paying accrued amounts when chapter 32 benefits (for actual school attendance) are due and unpaid at the time of death.

2. General. Claims for refund of chapter 32 contributions in death cases will be referred to the Adjudication Division.

a. No specific application form will be required for a death refund claim. However, the request for refund must always be in writing. (The request may be on VA Form 21-4138, Statement in Support of Claim, on an application for death benefits or on a separate letter.)

b. A claims folder will be established in each case if none previously existed.

c. There will be no time limit for applying for refund of contributions.

3. Eligibility

a. PL 96-466 has revised 38 U.S.C. 1624 to greatly simplify the refund procedure when there is no designated SGLI (Servicemen's Group Life Insurance) beneficiary. (Previously, the VA was required to pay the veteran's estate in such cases.)

b. The new wording of section 1624 is as follows:

"In the event of a participant's death, the amount of such participant's unused contributions to the fund shall be paid to the living person or persons first listed below:

"(1) The beneficiary or beneficiaries designated by such participant under such participant's Servicemen's Group Life Insurance policy.

"(2) The surviving spouse of the participant.

"(3) The surviving child or children of the participant, in equal shares.

"(4) The surviving parent or parents of the participant, in equal shares.



16-032 O - 83 - 6

If there is no such person living, such amount shall be paid to such participant's estate."

c. The following definitions will apply in death refund cases:

(1) "Surviving Spouse" - A person of the opposite sex who is a widow or widower of the participant, and whose marriage to the participant meets the requirements of VA Regulation 1001(J) or 1052.

(2) "Child" - Means a natural, step, or adopted child of the veteran regardless of age or marital status.

(3) "Parent" - Means a person whose relationship to the participant meets the requirements of VA Regulation 1059.

NOTE: Evidence of relationship must be established in accordance with VAR's 1205 and 1209. However, such evidence is not required to pay the designated SGLI beneficiary or beneficiaries.

4. Identification of Death Refund Cases

a. Initial Review. A claims clerk should check the M26 Target screen for possible unused chapter 32 contributions in any death case if the EOD (entered on duty) date was on or after January 1, 1977.

b. Referral to Adjudicator. An adjudicator (or education clerk) will review any case identified under subparagraph a above to determine who the potential beneficiaries are and to continue processing the case.

5. Determination of Beneficiaries

a. Referral to Insurance Center. Adjudication will send an ARS (Advanced Record System) message to the VA Regional Office and Insurance Center, Philadelphia (290C), requesting a certification of the designated SGLI beneficiary(ies). (See fig. 1 for ARS message format.) The VARO&IC will reply by ARS using one of the following statements:

(1) "The deceased was not insured under SGLI at the time of death."

(2) "The deceased was insured under SGLI at the time of death, but there were no designated beneficiaries." (VARO&IC will show for information purposes the name, address, and relationship of the person or persons who received the insurance.)

(4) "The deceased was insured by SGLI at the time of death and the designated beneficiaries are as follows: (VARO&IC will show name, address, and share of each designated beneficiary.)"

(5) "The designated SGLI beneficiary(ies) have not yet been determined. Will advise when determination is made."

June 11, 1981

DVB Circular 20-77-25
Appendix D, Revised

TELEGRAPHIC MESSAGE

| | | |
|---|---|---|
| VARO | ROUTINE | |
| | 5/5/81 | |
| FOR INFORMATION CALL | | |
| J. SMITH | 2839 | ☒ |

THIS SPACE FOR USE OF COMMUNICATION UNIT

MESSAGE TO BE TRANSMITTED (Use double spacing and all capital letters.)

TO: VARO&IC PHILADELPHIA (290C)

/00/21/SUBJ: CERTIFICATION OF SGLI BENEFICIARIES

UNDEP 38 U.S.C. 1624

NAME OF DECEASED: (FIRST, MIDDLE, LAST)

SOCIAL SECURITY NO.:

VA FILE NO.:

BRANCH OF SERVICE:

DATE OF DEATH:

/VARO ( )/

| PAGE NO | NO OF PGS |
|---|---|
| 1 | 1 |

Figure 1. ARS Message to VARO&IC Philadelphia

b. Determination of Beneficiaries

(1) If the VARO&IC certifies that there was a designated SGLI beneficiary, this person will be entitled to the refund of contributions. If there was more than one SGLI beneficiary, the contributions will be refunded according to the share of the insurance each beneficiary received.

(2) If the VARO&IC certifies that no SGLI beneficiary was designated or that there was no SGLI in force at the time of death, the proper refund beneficiary is the surviving spouse, child (or children), parent (or parents), or the veteran's estate in that order of preference. If the estate is the proper refund beneficiary, see paragraph 7 for additional instructions.

c. Notification to Potential Claimants. If a claim for refund is not of record, send a dictated letter to the potential claimant(s) advising them of their apparent entitlement to a refund of the veteran's education contributions. The letter should ask the potential claimant(s) to request a refund on VA Form 21-4138 which will be enclosed. Evidence of relationship should be requested in this letter if not already of record.

6. Processing Applications for Refund

a. Written Request. Verify that a written request for refund is of record for each claimant.

b. Verification of Death. If the participant died while on active duty a DD Form 1300 will serve to establish the fact of death. If the participant died after discharge from service, a death certificate will be required. NOTE: Determinations of willful misconduct and line-of-duty are not required because payment of a benefit is not involved.

c. Relationship. Verify that evidence of relationship is of record when required.

d. Authorization of Refund. Prepare a memorandum directed to the station's Chief, Finance activity, over the signature of an authorizer. Include the veteran's file number, the full name and address of each payee, and the proper share (full, 1/2, etc.) for each payee.

e. Disallowance. If a claimant is not eligible for refund of chapter 32 contributions, prepare a disallowance for record purposes on VA Form 22-1992. Reason code 29 will be used with the legend "Not proper claimant for chapter 32 contributions." If there are no contributions, reason code 97 will be used with the legend "No chapter 32 contributions." A dictated disallowance letter with appeal rights will be sent to the claimant.

f. End Product. Use one end product code 220 for all refund applications in a case.

7. Special Procedure If Estate Is the Proper Claimant

a. General. The contributions under chapter 32 will be paid to the veteran's estate if:

(1) No beneficiary has been designated under the veteran's SGLI policy; and

(2) The veteran was not survived by a spouse, child, or parent(s).

b. Payment to Administrator or Executor of Deceased Veteran's Estate

(1) A claim must be supported by a copy of the letters of administration or letters testamentary certified over the signature and seal of the appointing court.

(2) If there is more than one executor or administrator, a claim may be filed by one of the coexecutors or coadministrators. (Any refund to the estate, however, must be prepared in favor of the coexecutors or coadministrators as appointed by the court.)

(3) If, prior to approval of a refund, the VA receives notice that the estate has been closed, a certified copy of the discharge of the fiduciary and the court order of distribution should be obtained and payment made to the person or persons as set forth therein.

c. No Administrator or Executor Appointed. If no administrator or executor was appointed for the estate of the veteran, distribution will be made under the intestacy laws of the State of the veteran's legal domicile. In such cases, the matter will be referred to the District Counsel for resolution unless the case is "on all fours" with a previous opinion or instruction issued by the station District Counsel.

8. Claims for Accrued Benefits

a. General. Any chapter 32 benefits due and unpaid at the time of the veteran's death must be paid out according to the regulations and procedures which apply to accrued claims. (See 38 U.S.C. 3021 and 3022, VAR's 2000 and 2003, and M22-2, pt. IV, ch. 6, par. 6.10.)

(1) There is a 1-year time limit for filing accrued claims except that claims based on returned and canceled checks have no time limit.

(2) The proper beneficiary or beneficiaries for the accrued benefits will not necessarily be the same person or persons who are entitled to unused contributions.

NOTE: The entire amount of any benefits due and unpaid will be considered accrued. For example, suppose the VA owes the veteran $450 for 3 months' school attendance and the veteran has $2,000 remaining in the account after the $450 is paid. Then the entire $450 will be

considered accrued (including the veteran's own contribution of $150). The remaining $2,000 is not considered accrued and will be distributed as unused contributions per paragraphs 3 through 7.

b. Specific Procedures. If benefits have ever been paid in a chapter 32 death case, Adjudication will take the following actions:

(1) Obtain the information necessary to terminate the veteran's account if the account has not been terminated.

(2) If required, send a stop-payment transaction to the PPU (Payment Processing Unit) using VA Form 21-8046, Payment Notice (Stop-Suspend-Resume), with reason code 22. (See app. C of this circular.) If the date of last attendance is unknown initially, then send a suspend payment to the PPU to be followed later by a stop payment.

(3) If an award action is required after the date of death, complete a VA Form 22-1997, Education Award, and send to the PPU. Show in remarks "Death Case - Posthumous award to established accrued or accounts receivable."

(4) In all potential accrued cases (whether there is a current running award or not) send a VA Form 3230 to the PPU asking if any accrued benefits are payable. Send this inquiry with the final stop payment or posthumous award action if there was a running award at the time of death. Set up an end product 220 control for the PPU's reply.

(5) If the PPU reports that an accrued amount exists, determine the proper accrued beneficiaries and authorize the accrued benefit by a memorandum to the station Chief, Finance activity, in the same manner as specified in paragraph 6d of this appendix.

NOTE: In any accrued case there will nearly always be unrefunded contributions as well. Therefore, the memorandum to the Chief, Finance activity, should also indicate the proper disposition of the unused contributions.

9. Central Office Review. Central Office will periodically identify as many unrefunded chapter 32 accounts as possible from available records and will furnish a listing of these accounts to affected stations. Stations will:

a. Follow the procedures in paragraphs 5 through 8 of this appendix.

b. Make all reasonable efforts to contact the potential refund beneficiaries, including consulting local phone directories.

c. Report to Central Office on the status of each case. The report will be due by the control date given each station with the listing. The report will be entitled "Chapter 32 Death Cases" and will be submitted through the appropriate Field Director (224B). Reports Control Symbol 22-26 is assigned.

6.

d. Flash the claims folder for possible future refund action if all current attempts to locate the potential beneficiaries fail. The flash should include the statement, "Unrefunded education contributions under chapter 32, title 38, exist in this case. Pay refund to designated SGLI beneficiary or, if none, to the veteran's spouse, children, parents, or estate in that order of preference."

10. Any questions regarding procedures in this appendix may be referred to Central Office (224B) at FTS 389-2771.

11. RESCISSION: Appendix D, dated February 6, 1979, of DVB Circular 20-77-25.

DOROTHY L. STARBUCK
Chief Benefits Director

Distribution: CO: RPC 2900
FD FLD: RPC 2223, plus 10 additional copies for Finance in ROA; VBC, 1 each
EX: ASO and AR, 1 each

Department of Veterans Benefits
Veterans Administration
Washington, D.C. 20420

DVB Circular 20-77-25
Change 10
August 19, 1981

CHAPTER 32
ADJUDICATION PROCEDURES

1. PL 96-342, the Department of Defense Authorization Act of 1981, affected basic eligibility requirements for chapter 32 benefits.

2. Section 1002 of the law provides that an individual who originally enlists in a regular component of the Armed Forces on September 8, 1980, or later and who fails to complete at least 24 months of that original enlistment shall not be eligible for any right, privilege or benefit based upon that period of service.

3. The General Counsel has interpreted this as applicable to enlisted members only. Officers are excluded from the coverage of this provision.

4. Appendix C, Revised, of DVB Circular 20-77-25 is changed as follows:

Pages 3 through 8: Remove these pages and substitute pages 3 through 8 attached. (Par. 5a(4) and b(4) and figures 1 and 2 have been amended to specify that only enlisted and former enlisted members are included in the 24-month service requirement.)

DOROTHY L. STARBUCK
Chief Benefits Director

Distribution: CO: RPC 2900
FD FLD: RPC 2223, plus 10 additional copies for Finance in ROA; VBC, 1 each
EX: ASO and AR, 1 each

VA Form 22-6553a, Quarterly Certification of Attendance for Courses Not Leading to a Standard College Degree and Farm Cooperative Courses

VA Form 22-6553b, Certification of Lessons Completed

VA Form 22-6553c, Monthly Certification of Flight Training

(7) All loan forms including VA Form 22-8725, Application for Education Loan.

e. The following forms are not for use under chapter 32:

(1) All work-study forms including VA Form 20-8691, Veterans Application for Work-Study Allowance.

(2) VA Form 22-1990, Veteran's Application for Educational Benefits.

(3) VA Form 22-1990a, Serviceperson's Application for Educational Benefits.

(4) VA Form 22-1990t, Application and Enrollment Certification for Individualized Tutorial Assistance.

(5) VA Form 21-441, Special Apportionment Decision (since no additional allowance is payable for dependents under chapter 32, no apportionment is authorized).

(6) VA Form 22-8821p, Application for Predischarge Education Program (PREP). (Since the PREP program has been eliminated, these forms should be destroyed.)

f. The following list of current form letters will be issued as appropriate. It is intended as a sample listing only and is not all-inclusive:

| | | |
|---|---|---|
| FL 22-89 | FL 22-337 | FL 22-897 |
| FL 22-153 | FL 22-890 | FL 22-899 |
| FL 22-310 | FL 22-891 | FL 22-899a |
| FL 22-315 | FL 22-892 | |

g. The following form letters are not for use under chapter 32:

FL 22-879
FL 22-893
FL 22-902

h. VA Pamphlet 22-79-1, Summary of Educational Benefits Under the Post-Vietnam Era Veterans Educational Assistance Program, VEAP, provides information on chapter 32 benefits.

i. FL 22-905 is the chapter 32 VADS letter (see app. F of this circular).

4. Routing of Chapter 32 Incoming Mail

a. Incoming mail will be processed under current procedures including routing to the DTU (Data Terminal Unit) or Adjudication activity as appropriate for file number assignment in BIRLS (Beneficiary Identification Records Locator Subsystem) and establishment of a claims folder.

b. A claimant with a master record in the Chapter 32 Banking System will also have a master index record in BIRLS. A BIRLS message will show the legend "CHAPTER 32 ACTIVITY INDICATED" if the individual has ever made contributions.

c. Inquiry concerning chapter 32 contribution amounts can be made through Target Master Inquiry (MINQ). (See app. H of this circular.)

d. A claims folder will not be established, nor will a file number be assigned through BIRLS, for cases involving only a request for refund (VA Form 4-5281).

5. Determining Eligibility

a. Veteran. Basic eligibility for educational benefits under chapter 32 for a veteran is based upon the following conditions (see fig. 1):

(1) The veteran entered on active duty after December 31, 1976.

(2) The veteran is ineligible for chapter 34 educational assistance (based upon a prior period(s) of active duty or a delayed enlistment agreement).

(3) The veteran must have served for a continuous period of 181 days or more (exclusive of deductible time per M22-2, pt. II, ch. 2). Travel time is included as creditable service and will be requested if active duty is shown as 176 to 180 days. If the veteran served less than 181 days, he or she must have been released or discharged because of a service-connected disability (see VAR 1315(C)).

(4) If the veteran [enlisted] for the first time on September 8, 1980, or later, he/she must have served at least 24 months of his/her original enlistment (exclusive of deductible time). [(Former officers are not included in this requirement.)] If the enlisted member served less than 24 months of the original enlistment, he or she must have been released or discharged because of a service-connected disability (see VAR 1315(C)) or hardship. However, if discharged due to hardship, the veteran must still meet the 181-day service requirement (see subpar. (3) above).

(5) The veteran was released or discharged from active duty under conditions other than dishonorable.

(6) The veteran contributed money to the chapter 32 fund while in service and has money available for benefits. Verify contributions made by the participant through Target Master Inquiry (MINQ). See appendix H of this circular. If DOD contributions were made, call Central Office immediately at FTS 389-2771 for further instructions.

(7) Active duty service as a commissioned officer of the PHS (Public Health Service) or NOAA (National Oceanic and Atmospheric Administration) is qualifying service under chapter 32.

(8) For an elementary or secondary education program, the veteran must have been an enlisted person. Those programs are not available based on service as an officer.

b. Serviceperson - Other Than Elementary or Secondary Education Program. Basic eligibility for educational benefits under chapter 32, other than for an elementary or secondary education program, for a serviceperson is based upon the following conditions (see fig. 2):

(1) The person entered on active duty after December 31, 1976.

(2) The person is ineligible for chapter 34 educational assistance (based upon a prior period(s) of active duty or a delayed enlistment agreement).

(3) The person must have served fora continuous period of 181 days or more (exclusive of deductible time per M22-2, pt. II, ch. 2).

(4) If the person [enlisted] for the first time on September 8, 1980, or later, he/she must have served at least 24 months of his/her original enlistment (exclusive of deductible time). [(Officers are not included in this requirement.)]

(5) The person has completed either:

(a) His or her first obligated period of active duty, or

(b) Six years of active duty, whichever period is less.

(6) The person has contributed money to the chapter 32 fund and has at least 3 months of contributions available for benefits. If DOD contributions were made, call Central Office immediately at FTS 389-2771 for further instructions.

(7) Active duty service as a commissioned officer in PHS or NOAA is qualifying service under chapter 32. PHS officers serving on active duty for indefinite periods are considered to have a 2-year obligated period for eligibility purposes. Please review block 11H on VA Form 22-8821 to insure "yes" is checked regarding period of service.

c. Serviceperson - Elementary or Secondary Education Program. Under chapter 32, an elementary or secondary education program is available to enlisted persons only. (See DVB Circular 22-80-39, app. D, for claims processing instructions.) Basic eligibility for such a program is based upon the following conditions (see fig. 2):

(1) The enlisted member entered on active duty after December 31, 1976.

(2) The enlisted member is ineligible for chapter 34 educational assistance (based upon a prior period(s) of active duty or a delayed enlistment agreement).

(3) The enlisted member must have served for a continuous period of 181 days or more (exclusive of deductible time per M22-2, pt. II, ch. 2).

(4) If the enlisted member entered on active duty for the first time on September 8, 1980, or later, he/she must have served at least 24 months of his/her original enlistment (exclusive of deductible time).

(5) The enlisted member is in the last 6 months of his or her first enlistment or has completed his/her first enlistment.

(6) The enlisted member has contributed money to the chapter 32 fund and has at least 1 month of contributions available. If DOD contributions were made, call Central Office immediately at FTS 389-2771 for further instructions.

6. Character of Discharge. An "honorable," "general" or "under honorable conditions" discharge meets the eligibility requirements of paragraph 5a(5), unless there is a bar to benefits under 38 U.S.C. 3103(a).

a. Determination. A character of discharge determination is required to determine whether an "other than honorable" discharge was granted under conditions other than dishonorable. Current procedures governing such determinations are applicable under chapter 32 (see M21-1, pars. 14.01 and 14.02). If a disallowance is required, see paragraph 17 of this appendix.

b. Conditional Discharge. If it is determined that the last discharge or release was under dishonorable conditions for Veterans Administration purposes, but the veteran had received an earlier conditional discharge, consideration will be given to whether the veteran satisfactorily completed an obligated period of service (38 U.S.C. 101(18)).

(1) If it is determined that the veteran satisfactorily completed an obligated period of service, entitlement will be credited to the veteran based on contributions made during that period.

August 19, 1981

DVB Circular 20-77-25
Appendix C, Revised
Change 10

DETERMINING ELIGIBILITY FOR A VETERAN
(See par. 5a)

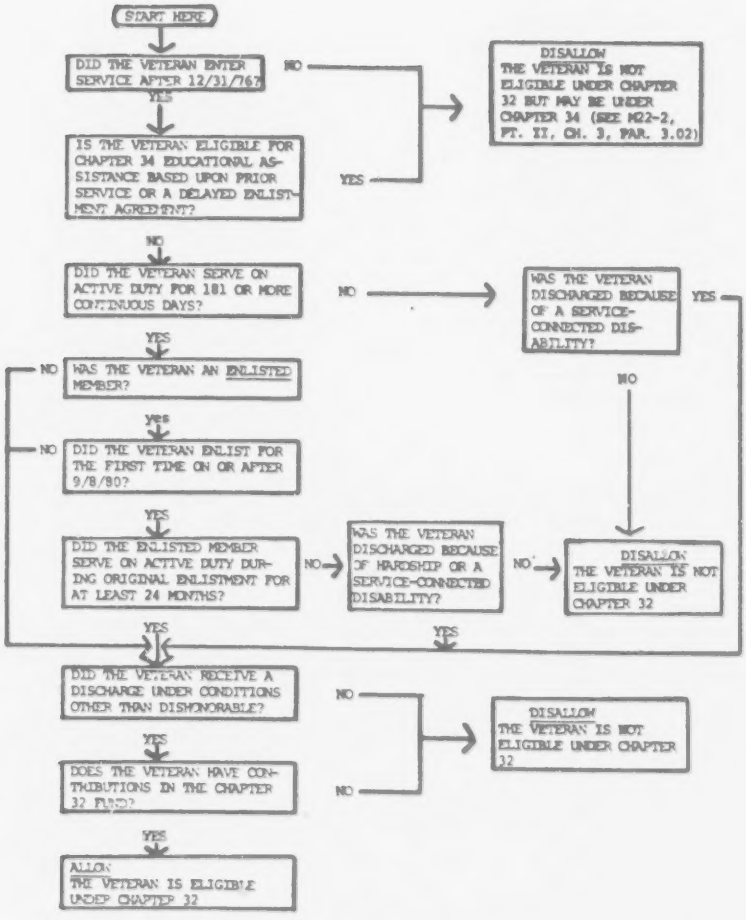
START HERE
DID THE VETERAN ENTER SERVICE AFTER 12/31/76?
NO
YES
DISALLOW
THE VETERAN IS NOT ELIGIBLE UNDER CHAPTER 32 BUT MAY BE UNDER CHAPTER 34 (SEE M22-2, PT. II, CH. 3, PAR. 3.02)
IS THE VETERAN ELIGIBLE FOR CHAPTER 34 EDUCATIONAL ASSISTANCE BASED UPON PRIOR SERVICE OR A DELAYED ENLISTMENT AGREEMENT?
YES
NO
DID THE VETERAN SERVE ON ACTIVE DUTY FOR 181 OR MORE CONTINUOUS DAYS?
NO
WAS THE VETERAN DISCHARGED BECAUSE OF A SERVICE-CONNECTED DISABILITY?
YES
NO
YES
NO
WAS THE VETERAN AN ENLISTED MEMBER?
YES
NO
DID THE VETERAN ENLIST FOR THE FIRST TIME ON OR AFTER 9/8/80?
YES
NO
DID THE ENLISTED MEMBER SERVE ON ACTIVE DUTY DURING ORIGINAL ENLISTMENT FOR AT LEAST 24 MONTHS?
NO
WAS THE VETERAN DISCHARGED BECAUSE OF HARDSHIP OR A SERVICE-CONNECTED DISABILITY?
NO
DISALLOW
THE VETERAN IS NOT ELIGIBLE UNDER CHAPTER 32
YES
YES
DID THE VETERAN RECEIVE A DISCHARGE UNDER CONDITIONS OTHER THAN DISHONORABLE?
NO
DISALLOW
THE VETERAN IS NOT ELIGIBLE UNDER CHAPTER 32
YES
DOES THE VETERAN HAVE CONTRIBUTIONS IN THE CHAPTER 32 FUND?
NO
YES
ALLOW
THE VETERAN IS ELIGIBLE UNDER CHAPTER 32

Figure 1

DVB Circular 20-77-25
Appendix C, Revised
Change 10

August 19, 1981

DETERMINING ELIGIBILITY FOR A SERVICEPERSON
(See par. 5b and c)

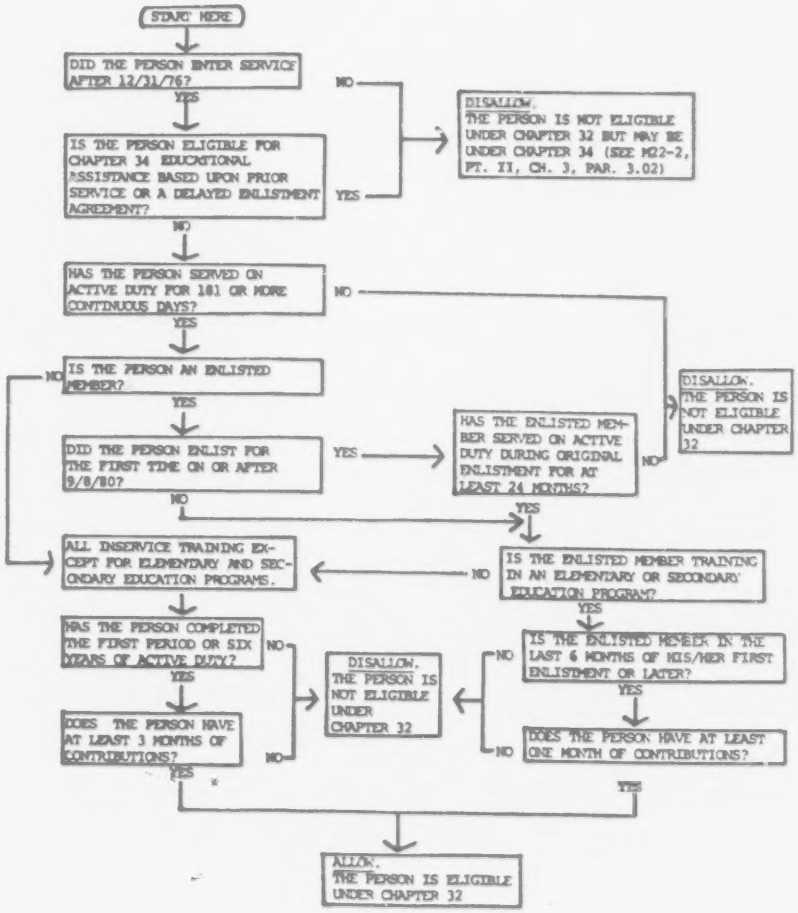
START HERE
DID THE PERSON ENTER SERVICE AFTER 12/31/76?
NO
YES
DISALLOW. THE PERSON IS NOT ELIGIBLE UNDER CHAPTER 32 BUT MAY BE UNDER CHAPTER 34 (SEE M22-2, PT. II, CH. 3, PAR. 3.02)
IS THE PERSON ELIGIBLE FOR CHAPTER 34 EDUCATIONAL ASSISTANCE BASED UPON PRIOR SERVICE OR A DELAYED ENLISTMENT AGREEMENT?
YES
NO
HAS THE PERSON SERVED ON ACTIVE DUTY FOR 181 OR MORE CONTINUOUS DAYS?
NO
YES
DISALLOW. THE PERSON IS NOT ELIGIBLE UNDER CHAPTER 32
IS THE PERSON AN ENLISTED MEMBER?
NO
YES
HAS THE ENLISTED MEMBER SERVED ON ACTIVE DUTY DURING ORIGINAL ENLISTMENT FOR AT LEAST 24 MONTHS?
NO
YES
DID THE PERSON ENLIST FOR THE FIRST TIME ON OR AFTER 9/8/80?
YES
NO
YES
ALL INSERVICE TRAINING EXCEPT FOR ELEMENTARY AND SECONDARY EDUCATION PROGRAMS.
NO
IS THE ENLISTED MEMBER TRAINING IN AN ELEMENTARY OR SECONDARY EDUCATION PROGRAM?
YES
HAS THE PERSON COMPLETED THE FIRST PERIOD OR SIX YEARS OF ACTIVE DUTY?
NO
YES
IS THE ENLISTED MEMBER IN THE LAST 6 MONTHS OF HIS/HER FIRST ENLISTMENT OR LATER?
NO
YES
DISALLOW. THE PERSON IS NOT ELIGIBLE UNDER CHAPTER 32
DOES THE PERSON HAVE AT LEAST 3 MONTHS OF CONTRIBUTIONS?
NO
YES
DOES THE PERSON HAVE AT LEAST ONE MONTH OF CONTRIBUTIONS?
NO
YES
ALLOW. THE PERSON IS ELIGIBLE UNDER CHAPTER 32

Figure 2



U. S. GOVERNMENT PRINTING OFFICE

ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

MANPOWER,
RESERVE AFFAIRS
AND LOGISTICS

25 JAN 1983

Honorable G. V. Montgomery
Chairman, Committee on Veterans' Affairs
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

In accordance with Section 1642 of Title 38, United States Code, I am pleased to provide the Committee with the Fifth Annual Report to the Congress on the Post-Vietnam Era Veterans' Educational Assistance Program.

Sincerely,

Larry Korb

Lawrence J. Korb
Assistant Secretary of Defense
(Manpower, Reserve Affairs & Logistics)

Enclosure

A REPORT TO THE

HOUSE AND SENATE

COMMITTEES ON VETERANS' AFFAIRS

# FIFTH ANNUAL REPORT TO THE CONGRESS ON THE POST-VIETNAM ERA VETERANS' EDUCATIONAL ASSISTANCE PROGRAM

Office of the Assistant Secretary of Defense
(Manpower, Reserve Affairs, and Logistics)

January 1983

## PREFACE

On October 15, 1976, the Post-Vietnam Era Veterans' Educational Assistance Act of 1977 was enacted under Title IV of Public Law 94-502. The Act terminated eligibility for the GI Bill (Chapter 34 of Title 38, United States Code) for individuals entering active duty after December 31, 1976, and established the Post-Vietnam Era Veterans' Educational Assistance Program (VEAP) under Chapter 32 of Title 38, United States Code.

Servicemembers who are eligible for benefits under VEAP may voluntarily contribute from $25 to $100 per month toward their post-service education fund. After completion of the initial tour of obligated service or six years in the active forces (whichever is less), the federal government matches the service-member's contribution on a two-for-one basis if the individual enrolls in an approved educational program. The maximum contribution by servicemembers is $2,700 which, matched with $5,400 of government funds, provides a total of $8,100 for the Veteran's educational expenses.

The Secretary of defense is authorized to provide additional VEAP benefits ("kickers") as a recruiting or retention incentive. During 1979 the Department of Defense tested enhanced VEAP incentives ("kickers") in the Army and the Navy. A revised and expanded test of the VEAP "kicker" was implemented in FY 81. Results of this test program have been transmitted to Congress in the Final Report on the Educational Assistance Test Program, March 1982.

The Veterans Administration and the Department of Defense share responsibility for the management of VEAP. Eligibility for participation in VEAP is extended to active duty personnel in the U.S. Coast Guard, the U.S. Public Health Service, the National Oceanic and Atmospheric Administration and military personnel in the Department of Defense.

This report responds to the requirements specified in Title 38, United States Code, Section 1642, that a report be submitted annually to the Committees on Veterans' Affairs of the Senate and the House of Representatives.

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## INTRODUCTION

Educational incentives for members of the Armed Forces have taken various forms in recent years: a GI Bill, in-service tuition assistance programs, the Veterans' Educational Assistance Program (VEAP), and the FY 81 Educational Assistance Test Program. A variety of other incentives have been proposed in the last few years.

This fifth Department of Defense report on the Veterans' Educational Assistance Program contains the Calendar Year 1981 VEAP participation rates and 1977-1981 VEAP cumulative participation rates by each Service in areas described by education level, sex, marital status, race, and AFQT category. Tables are included describing the VEAP discontinuances and continuation rates for original VEAP enrollees by period of original enrollment and by Service. The loss of Army data on participation in VEAP during the first six months of CY 1980 continues to affect the cumulative participation rates. The Army is working with the Veterans' Administration and the Defense Manpower Data Center to restore these data for use in computing participation rates in the CY 1982 VEAP report.

During the last quarter of 1980, and during 1981, several changes to the VEAP program were enacted. These changes affected VEAP participation in 1981 and have made some changes that continue to affect the program.

A. Under the educational assistance test program, enacted by P.L. 96-342, the Army was permitted to expand its additional incentives from kickers of $2,000, $4,000, and $6,000 for 2-, 3-, and 4-year enlistments to kickers of $8,000 for 2-year enlistments and $12,000 for 3- and 4-year enlistments. Under P.L. 96-342, these increased kickers (called "Ultra-VEAP"), were available only in 18% of the country. When the test program ended, the Army sought and obtained authorization to offer Ultra-VEAP nationwide to high-quality enlistees into critical skills. For the first time, we report data on the number of participants in the Ultra-VEAP program in 1981. None of the other Services are authorized to offer these enhanced incentives.

B. As an additional incentive to high-quality active and reserve enlistees, the test program mandated a loan repayment program in which National Direct Student Loans, federally insured student loans, and Guaranteed Student Loans incurred by enlistees before entering on duty could be repaid in yearly increments as the enlistees discharged their service obligation. Authority

to extend this program until October 1983 was given to the Services by Congress in December 1981. Although loan repayment is undoubtedly an incentive to enlistment in the Armed Services, it is not strictly speaking a form of educational assistance for servicemembers or veterans. Since it is not, we do not report participation in that program in this report.

C. P.L. 96-466 made significant changes in the operation of the VEAP program. This law authorized individual servicemembers to make lump-sum contributions to VEAP, so long as the total contribution does not exceed the $2,700 maximum. Also, P.L. 96-466 provided that individual contributions could be made within a range of $25-$100, instead of the range between $50-$75 that had originally been established for VEAP in P.L. 94-502. 1981 allotment data confirm that allotments are most often made in multiples of $25: all services report that 85% or more of contributions are made in those amounts. Army, Navy, and the Marine Corps report 60-64% of contributions as made in amounts of $25 or $50. The Air Force reports 51.1% of contributions as made in amounts between $75 and $100.

D. In May 1981, the VEAP program was extended indefinitely, as provided for in P.L. 94-502. At that point, funding responsibility for the program shifted from the Veterans' Administration to the Department of Defense although responsibility for program administration still rests with the VA. Although the Department of Defense now funds the VEAP program for active-duty personnel in the U.S. Coast Guard, the U.S. Public Health Service, and the National Oceanic and Atmospheric Administration, this report provides data on 1981 VEAP participation only among the enlisted population of the Armed Forces.

## VEAP Participation Tables

The Department of Defense has compiled statistics on enlisted servicemembers who have enrolled in the Veterans' Educational Assistance Program. Officers have not been included in the analysis because of the relatively small number of them who participate in the VEAP. For the purposes of this report, cumulative participation tables include all enlisted personnel who have enrolled in VEAP since the inception of the program. Participants identified in the tables as 1977, 1978, 1979, 1980, or 1981 enrolled in VEAP for the first time during the indicated calendar year.

In all of the following tables, the 1980 statistics for the Department of the Army represent VEAP participation data only during July-December 1980. Computer malfunction caused loss of the Army's January-June data. Efforts are now underway

to reconstruct these records from data available in the files of the Veterans' Administration. The participation rates shown in the following tables understate actual Army VEAP participation in 1980. Cumulative participation rates including 1980 numbers will also requ're recomputation once the data are restored.

The following table represents the cumulative VEAP participation rates for enlisted personnel by military service. Persons entering military service on or after January 1, 1977, have the right to enroll in VEAP at any time during their service on active duty. The cumulative participation rates reflect the percentage of individuals who signed up for VEAP before or during each fiscal year, compared to the number of individuals who were eligible to enroll in VEAP between January 1, 1977, and the end of each fiscal year. For example, the Army's 27.3 percent cumulative participation rate for 1978 means that of all individuals eligible to enroll in VEAP during 1977 and 1978, 27.3 percent chose to enroll in VEAP.

The Services' cumulative participation rates have risen over the duration of VEAP eligibility. Army, Navy, and Marine Corps data indicate that 25-35 percent of each Service's enlisted force ultimately will participate in VEAP. In the Air Force, participation rates are much lower than in the other Services. The reason for the different Air Force experience is not known, except that Air Force counsels their four-year enlistees not to enroll in VEAP until after they have completed one year of service. Marine Corps participation has increased dramatically over the years of the program, as a more concerted effort has been made to ensure that recruits are briefed on VEAP once they arrive at their permanent duty stations.

Table 1

Cumulative VEAP Participation Rates for Enlisted Personnel by Military Service and Total DoD (Percent)

| Military Service | Enlisted Personnel Cumulative VEAP Participation Rates | | | | |
|---|---|---|---|---|---|
| | 1977 | 1978 | 1979 | 1980 | 1981 |
| Army | 20.4 | 27.3 | 30.2 | 27.6 | 30.5 |
| Navy | 19.9 | 26.1 | 27.7 | 28.0 | 27.9 |
| Marine Corps | 7.9 | 11.0 | 18.5 | 26.7 | 33.1 |
| Air Force | 1.0 | 4.5 | 7.3 | 8.5 | 8.5 |
| Total DoD | 15.2 | 20.2 | 23.3 | 23.5 | 25.4 |

Demographic Characteristics

VEAP enlisted participation rates have been computed for the Services and total Department of Defense according to sex, racial/ethnic group, education, AFQT category, and marital status. Participation rates for the selected demographic characteristics are presented for 1981 accessions and for total eligible accessions (1977-1981).

Sex

Table II shows the enlisted VEAP participation rates by sex. In all the Services but the Navy, women are cumulatively participating at higher rates than men. In 1981 alone, however, Navy women are also participating at a higher rate than Navy men.

Table 2

Enlisted VEAP Participation Rates
by Sex and Military Service for 1981 Accessions
and Total Eligible Accessions
(1977 through 1981)

| | Army | | Navy | | Marine Corps | | Air Force | | Total DoD | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1981 | 1977 1981 | 1981 | 1977 1981 | 1981 | 1977 1981 | 1981 | 1977 1981 | 1981 | 1977 1981 |
| Male | 32.6 | 29.4 | 18.4 | 28.1 | 40.5 | 32.4 | 1.4 | 8.3 | 22.3 | 25.1 |
| Female | 38.6 | 38.1 | 30.2 | 26.1 | 63.4 | 44.7 | 2.3 | 9.1 | 29.0 | 27.3 |
| TOTAL | 33.5 | 30.5 | 19.7 | 27.9 | 41.8 | 33.1 | 1.5 | 8.5 | 23.1 | 25.4 |

Racial/Ethnic Group

Table 3 shows the enlisted VEAP participation rates by racial/ethnic group. As in the past, minorities are generally over-represented among VEAP participants and the white/non-Spanish group rates are generally below the respective total participation rates in all Services with the exception of blacks in the Air Force. Participation rates of ethnic groups are more nearly equal in the Navy, although overall participation is lower in the Navy than in the Army, Marine Corps, or total DoD.

Table 3

Enlisted VEAP Participation Rates by Racial/Ethnic Group and Military Service for 1981 Accessions and Total Eligible Accessions (1977 through 1981) (Percent)

| Racial/ Ethnic Group | Army | | Navy | | Marine Corps | | Air Force | | Total DoD | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1981 | 1977 1981 | 1981 | 1977 1981 | 1981 | 1977 1981 | 1981 | 1977 1981 | 1981 | 1977 1981 |
| White/Non Spanish | 31.6 | 27.8 | 25.7 | 26.3 | 40.7 | 32.3 | 1.5 | 8.6 | 21.1 | 23.1 |
| White/ Spanish | 45.8 | 41.5 | 26.2 | 37.3 | 48.9 | 39.7 | 2.8 | 12.1 | 34.0 | 35.7 |
| Black | 34.6 | 33.0 | 23.5 | 33.7 | 48.2 | 34.7 | 1.1 | 6.6 | 28.0 | 29.6 |
| Other | 59.0 | 45.3 | 42.2 | 47.0 | 40.8 | 35.4 | 3.2 | 13.9 | 40.0 | 38.6 |
| TOTAL | 33.5 | 30.5 | 19.7 | 27.9 | 41.8 | 33.1 | 1.5 | 8.5 | 23.1 | 25.4 |

Education

Enlisted VEAP participation rates by educational attainment at the time of enlistment is shown in Table 4. The data show that individuals with some college but no degree participate in VEAP more than the other categories presented. Enlisted accessions with a high school diploma or GED participate at rates slightly higher than those who enlist who are not high school graduates.

Table 4

Enlisted VEAP Participation Rates
by Education and Military Service for 1981 Accessions
and Total Eligible Accessions
(1977 through 1981)
(Percent)

| | Army | | Navy | | Marine Corps | | Air Force | | Total DoD | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 1977 | | 1977 | | 1977 | | 1977 | | 1977 |
| Education | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 |
| Less Than High School Graduate | 23.5 | 21.9 | 15.4 | 25.0 | 35.7 | 27.7 | 1.2 | 2.4 | 21.7 | 20.7 |
| High School Diploma Graduate or GED | 34.9 | 33.8 | 20.1 | 28.0 | 42.8 | 35.9 | 1.4 | 8.4 | 34.7 | 26.1 |
| Some College (No Degree) | 45.1 | 43.8 | 24.3 | 36.5 | 47.4 | 42.1 | 3.0 | 12.2 | 27.3 | 33.5 |
| College Graduate or Post-Graduate | 35.2 | 27.9 | 20.6 | 28.4 | 33.3 | 39.2 | 1.5 | 8.7 | 17.7 | 20.9 |
| TOTAL | 33.5 | 30.5 | 19.7 | 27.9 | 41.8 | 33.9 | 1.5 | 8.5 | 23.1 | 25.4 |

AFQT Category

Table 5 shows the enlisted VEAP participation rates by AFQT category. The Armed Forces Qualification Test (AFQT) category, or aptitude, is determined from the combined scores of three subsets (word knowledge, arithmetic reasoning, paragraph comprehension, and numerical operation) on the Armed Services Vocational Aptitude Battery, or ASVAB.* These scores are used to classify applicants into one of five categories. Those in Categories I and II are above-average in aptitude; those in the Category III range are average. Category IV applicants are below average but acceptable; and Category V applicants are not eligible to join the Services.

Category I applicants have the highest participation rates in all the services. But, at the same time, Category IV applicants participate in the program to a great degree. It should be pointed out that only Category I-IIIa applicants (i.e., those who score at the 50th percentile or above) are eligible for the VEAP "kickers" and, especially in the Army Ultra-VEAP program, their participation rates reflect this additional incentive.

Table 5

Enlisted VEAP Participation Rates
by AFQT Category and Military Service for 1981 Accessions
and Total Eligible Accessions
(1977 through 1981)
(Percent)

| AFQT | Army | | Navy | | Marine Corps | | Air Force | | Total DoD | |
|---|---|---|---|---|---|---|---|---|---|---|
| Category | 1981 | 1977 1981 | 1981 | 1977 1981 | 1981 | 1977 1981 | 1981 | 1977 1981 | 1981 | 1977 1981 |
| I | 45.9 | 43.7 | 21.2 | 30.2 | 42.5 | 41.0 | 3.5 | 14.9 | 25.5 | 31.0 |
| II | 39.7 | 36.9 | 20.6 | 28.5 | 42.9 | 36.8 | 1.8 | 10.0 | 22.8 | 26.5 |
| IIIa | 33.8 | 29.9 | 19.6 | 27.3 | 42.3 | 31.4 | 1.4 | 7.4 | 22.0 | 23.4 |
| IIIb | 29.2 | 25.9 | 18.8 | 27.4 | 40.0 | 29.1 | 1.1 | 5.7 | 22.3 | 23.8 |
| IV | 30.8 | 32.7 | 18.3 | 22.2 | 40.3 | 40.1 | 1.0 | 5.3 | 26.1 | 30.3 |
| TOTAL | 33.5 | 30.5 | 19.7 | 27.9 | 41.8 | 33.9 | 1.5 | 8.5 | 23.1 | 25.4 |

*The versions of ASVAB in use from January 1976-September 1980 were miscalibrated to previous forms of the Department's enlistment tests. This error resulted in inflated test scores for low-scoring enlistees who entered Service during that period. The new test conversion tables which corrected the calibration problem and were developed in July 1980 are incorporated in Table 5.

Marital Status

Table 6 presents the enlisted VEAP participation rates by marital status. Single enlisted personnel continue to participate in the VEAP at rates well above the married enlisted personnel rates.

Table 6

Enlisted VEAP Participation Rates
by Marital Status and Military Service for 1981 Accessions
and Total Eligible Accessions
(1977 through 1981)
(Percent)

| Marital Status | Army | | Navy | | Marine Corps | | Air Force | | Total DoD | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1981 | 1977 1981 | 1981 | 1977 1981 | 1981 | 1977 1981 | 1981 | 1977 1981 | 1981 | 1977 1981 |
| Single | 34.8 | 32.0 | 20.4 | 28.7 | 42.2 | 33.6 | 1.6 | 8.9 | 23.9 | 26.5 |
| Married | 23.1 | 18.3 | 10.5 | 11.8 | 30.1 | 19.3 | 1.0 | 5.0 | 14.8 | 13.7 |
| TOTAL | 33.5 | 30.5 | 19.7 | 27.9 | 41.8 | 33.9 | 1.5 | 8.5 | 23.1 | 25.4 |

## VEAP Suspensions and Disenrollments

Table 7 shows data on the enlisted VEAP discontinuances and continuation rates for original VEAP enrollees. The data are grouped to show the continuation patterns for those who enrolled in VEAP in three month segments since the beginning of the program.

Table 7

Enlisted VEAP Discontinuances and Continuation Rates for Original VEAP Enrollees by Period of Original Enrollment (As of December 1981)

| Enrollment | Original Enrollees (Number) | Discontinuances | | Original Enrollees Still Making Contributions | | Voluntary Continuation Rate[c] (Percent) |
|---|---|---|---|---|---|---|
| | | Separated[a] | Remained On Active Duty[b] | Number | Percent | |
| 1977 | | | | | | |
| Jan-Mar | 2,809 | 2,714 | 66 | 29 | 1.0 | 30.5 |
| Apr-Jun | 8,386 | 8,005 | 296 | 85 | 1.0 | 22.3 |
| Jul-Sep | 14,277 | 13,104 | 858 | 315 | 2.2 | 26.9 |
| Oct-Dec | 14,631 | 13,028 | 1,228 | 375 | 2.6 | 23.4 |
| TOTAL | 40,103 | 36,851 | 2,448 | 804 | 2.0 | 24.7 |
| 1978 | | | | | | |
| Jan-Mar | 14,526 | 12,012 | 1,712 | 802 | 5.5 | 31.9 |
| Apr-Jun | 13,807 | 10,468 | 2,124 | 1,215 | 8.8 | 36.4 |
| Jul-Sep | 22,589 | 14,516 | 5,262 | 2,811 | 12.4 | 34.8 |
| Oct-Dec | 20,450 | 12,239 | 5,081 | 3,130 | 15.3 | 38.1 |
| TOTAL | 71,372 | 49,235 | 14,179 | 7,958 | 11.2 | 35.9 |
| 1979 | | | | | | |
| Jan-Mar | 18,310 | 9,990 | 3,884 | 4,436 | 24.2 | 53.3 |
| Apr-Jun | 17,957 | 8,225 | 4,426 | 5,306 | 29.5 | 54.5 |
| Jul-Sep | 28,892 | 9,175 | 8,583 | 11,134 | 38.5 | 56.5 |
| Oct-Dec | 24,389 | 7,156 | 6,685 | 10,548 | 43.2 | 61.2 |
| TOTAL | 89,548 | 34,546 | 23,578 | 31,424 | 35.1 | 57.1 |
| 1980 | | | | | | |
| Jan-Mar | 9,482 | 2,596 | 1,544 | 5,342 | 56.3 | 77.6 |
| Apr-Jun | 10,361 | 2,327 | 1,857 | 6,177 | 59.6 | 76.9 |
| Jul-Sep | 32,510 | 5,657 | 8,050 | 18,803 | 57.8 | 70.0 |
| Oct-Dec | 28,840 | 4,023 | 5,261 | 19,556 | 67.8 | 78.8 |
| TOTAL | 81,193 | 14,603 | 16,712 | 49,878 | 61.4 | 74.9 |
| 1981 | | | | | | |
| Jan-Mar | 24,487 | 1,955 | 2,426 | 20,106 | 82.1 | 89.2 |
| Apr-Jun | 22,413 | 1,536 | 1,551 | 19,326 | 86.2 | 92.6 |
| Jul-Sep | 29,277 | 1,241 | 1,030 | 27,006 | 92.2 | 96.3 |
| Oct-Dec | 29,539 | 517 | 337 | 28,685 | 97.1 | 98.8 |
| TOTAL | 105,716 | 5,249 | 5,344 | 95,123 | 90.0 | 94.7 |

(a) Also includes those who were absent without leave and deceased. Individuals who have stopped contributing and are no longer on active duty are termed "involuntary discontinuances."

(b) Includes all individuals who ever discontinued active participation (disenrollment or suspension of contributions) and were still on active duty as of December 1981. These persons are termed "voluntary discontinuances." Note that data on enrollments and discontinuances do not include those who reenroll in VEAP.

(c) Voluntary continuation rate is the percentage of original enrollees (still on active duty) who have remained active participants as of December 1981, computed as follows:

$$\frac{\text{Number of Original Enrollees Still Making Contributions}}{\text{Number of Original Enrollees Still in Service (i.e., Original Enrollees minus Separated Discontinuances)}} \times 100.$$

Table 8 shows the enlisted VEAP discontinuances and continuation rates for original VEAP enrollees by Service. This table shows that the Marine Corps and the Air Force have higher continuation rates than the Army and the Navy.

Table 8

1977-1981 Enlisted VEAP Discontinuances and Continuation Rates for Original VEAP Enrollees by Service

| Service | Enrollees (Number) | Discontinuees | | Original Enrollees Still Making Contributions | | Voluntary Continuation Rate (Percent) |
|---|---|---|---|---|---|---|
| | | Separated | Remained On Active Duty | Number | Percent | |
| Army | 198,026[a/] | 86,869 | 31,487 | 79,670 | 40.2 | 71.7 |
| Navy | 99,237 | 31,312 | 17,190 | 50,735 | 51.1 | 74.7 |
| Marines | 62,518 | 13,526 | 8,985 | 40,007 | 64.0 | 81.7 |
| Air Force | 28,151 | 8,777 | 4,599 | 14,775 | 52.5 | 76.3 |
| DOD | 387,932 | 140,484 | 62,261 | 185,187 | 47.7 | 74.8 |

a/ This number has been computed using data now available, which does not include Army enrollees from January-June 1980. When the Army data are restored, this number will be recomputed and provided as part of the Sixth Annual VEAP Report.

## Conclusion

The general trends by Service exhibited in past data remain basically the same except in the Marine Corps where participation rates have increased. Air Force rates remain relatively low compared to those of the other Services.

Participation rates still indicate that the VEAP is attractive to high quality enlistees. Those enlistees with a high school diploma or GED participate at levels higher than those who have not graduated from high school. Overall, VEAP participation rates include approximately 25% of the eligible DoD population. In general, VEAP participation rates have increased every year the program has been in effect. Nonetheless, the Navy, Marine Corps, and Air Force are dissatisfied with the minimal effects of the VEAP on recruiting and retention.

The Army, by contrast, is quite satisfied with its Ultra-VEAP program as a recruitment tool. Called "The Army College Fund" in Army advertising, the Ultra-VEAP program of $8,000 additional educational benefits for a 2-year enlistment or $12,000 additional benefits for a 3- or 4-year tour has proven quite successful in attracting high-quality enlistments (high-school-diploma graduates with an AFQT score of 50 or better--category IIIa and above).

Table 9

Number of Army Enlistees Who Signed Up For Ultra VEAP in 1981 By Length of Enlistment

| Length of Obligation | No. of Participating Army Enlistees |
|---|---|
| 2 years | 1,334 |
| 3 years | 1,216 |
| 4 years | 2,132 |
| TOTAL | 4,682 |

In 1981, 15,560 of Army VEAP enrollees were in AFQT categories IIIa and above. Therefore, the Ultra-VEAP enrollees enumerated above represent 30.1 percent of all the enrollees in AFQT categories IIIa and up.

The Army Ultra-VEAP program grew out of the Department of Defense Educational Assistance Test Program, which determined that allowing the Army to offer greater educational benefits did not reduce enlistments in the other Services but rather expanded the total enlistment market. The Test Program also discovered, in contrast, that offering uniform benefits to all Services, even if the benefits are enhanced above the Basic VEAP level can reduce high-quality enlistments in the Army.

The Test Program also showed that a targeted program, in which more generous benefits are offered only to selected personnel, can improve manning in critical skills. Such a program, as preliminary Army Ultra-VEAP analysis shows, also has the effect of increasing the total number of high-quality enlistees.

○